

LINCOLN PIPESTONE RURAL WATER SYSTEM

East Highway 14, P.O. Box 188, Lake Benton, MN 56149
(507) 368-4248 or (800) 462-0309 fax (507) 368-4573 email: lprw@itctel.com

MEETING MINUTES

December 21, 2009

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, December 21, 2009 starting at 10:00 a.m. Vice-Chairman called the meeting to order with Commissioners , , , Jerry Lonneman, Norris Peterson, Ken Buysse, Janice Moen, and Henry Van Dyke present. Chairman Bill Ufkin was absent. Also present were Board Attorney, ; DGR engineer, ; Field Superintendents, Don Drietz and Tom Muller; and CEO, Dennis Healy.

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

Minutes: M/S/P Lonneman/Moen to approve the minutes of the November 30, 2009 Regular Board meeting.

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

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

- DeWild Grant Reckert and Associates Company: General Services #100 = \$1,734.50; Jackson-Nobles Water Supply Project – ppe #26 = \$18,529.75; New Water Source Development – ppe #17 = \$11,902.90; 2008-10 Expansion Project – ppe #12 = \$26,935.00
- McDonald & Schramel: General Legal Services = \$2,160.50; 2008-10 Expansion Project = \$0.00; Jackson-Nobles Water Supply Project = \$72.50
- Winter Brothers Underground, Inc.: Jackson Nobles Project; Schedule 1, ppe #6 = \$24,645.04
- C B & I, Inc.: Jackson Nobles Project; Schedule 2, ppe #6 = \$315,587.15
- US Bank Corporate Trust Services: Yellow Medicine County Refunding 2005 Bonds = \$245,227.51; Lincoln County Refunding 2005 Bonds = \$320,336.25
- Steffl Drilling & Pump, Inc.: New Water Source Development Project; ppe #1 = \$40,015.80
- Osceola County Rural Water System: Water capacity fee payment #2 = \$3,997,175.00

Attorney's Report: reported that the reappointment of , and Jerry Lonneman was approved. The Board directed Healy to set a meeting with the County Boards to update them on LPRW plans and activities, and review appointment and assessment procedures. The 2009 Assessment hearing is scheduled for December 23rd. Schramel presented information on policies concerning the ownership and use of rural water hookups. Past policy, although unwritten, was to restrict the ability to relocate a hookup from its original site unless authorized by the Board. A proposed policy to clarify the issue was presented, discussed and modified. M/S/P Lonneman/DeWilde to adopt the following policy entitled "OWNERSHIP OF LPRW HOOKUP:"

OWNERSHIP OF LPRW HOOKUP

1. *Lincoln Pipestone Rural Water System is the sole and exclusive owner of all water hookups. LPRW's customers shall have no ownership, title, or right in any water hookup.*
2. *No LPRW customer shall move, alter, or expand any water line(s), meter, and/or any ancillary equipment located on the customer's real estate from its original installed location.*

Engineer's Report: provided the engineer's report:

- **Jackson Nobles Water Supply Project:** Concrete work is completed and steel fabrication is proceeding on the water tower, and Winter Brothers Underground is completing the final pressure testing and disinfection on the 12" line. M/S/P Van Dyke/Kling to approve Change Order #3 for the Winter Brothers Underground, 12-inch Transmission Pipeline contract, and to authorize the Vice Chairman to sign the Change Order. The Highway 60 Booster and State Line Meter Station Project bid opening was held on December 18th, and 4 bids were received (Salonek Concrete & Construction = \$564,000.00; KHC Construction = \$586,000.00; Robert L. Carr = \$617,600.00; and Gridor Construction = \$778,000.00). M/S/P Spronk/Engels to award the Highway 60 Booster and State Line Meter Station

Project bid to the low bidder, Salonek Concrete & Construction for \$564,000.00 subject to concurrence by USDA Rural Development. The Mainline Pipe Project can be bid as soon as USDA Rural Development approval is received. SCADA plans are nearly complete. Osceola County RWS projects are on schedule, and they can now provide water to LPRW.

- **2008-10 Expansion Project:** The North Area Expansion Phase I Project can be bid as soon as final USDA Rural Development approval is received. Plans for the South Area Expansion Phase II Project are nearly complete. Plans for the Lismore Booster and Maintenance Facility have been submitted for Rural Development and MDH review.
- **Water Exploration Project:** DGR is working on the Preliminary Transmission Plan, but additional information is needed from MMU before it can be completed. Healy reported that work on the Area 2 Well Field Development New Water Source Development Project is proceeding slower than expected, but additional well site options are being processed and wells will be drilled in January. M/S/P Peterson/Van Dyke to approve Change Order #2 for the Steffl Drilling & Pump, Area 2 Well Field Development contract, and to authorize the Vice Chairman to sign the Change Order.
- **Holland WTP Discharge Permit:** The MPCA Discharge Permit has been issued, and a treatment plan will need to be implemented within 3 years.

Field Superintendents' Report: Don Drietz and Tom Muller reported that installation work has been finished for the year, and operations are going smoothly.

CEO's Report:

- The Lewis & Clark construction activities are moving forward on schedule, and work is underway to secure FY2011 funding.
- Healy reported that proposals are being prepared for several cities interested in hooking up to rural water.

Committee Reports: The follow Committee reports were provided:

Executive Committee: No report.

Personnel Committee: The Personnel Committee met before the regular meeting to discuss the CEO's meetings with the employees, and to meet with an employee who requested a meeting with the Committee. The Committee will consider the recommendations received during the 2011 Budget process.

Budget & Finance Committee: No report.

Water Resources and Equipment Committee: No report.

Minnesota Rural Water Association, Board Representative: Rod Spronk reported on Minnesota Rural Water Association activities, and he will be attending the 2010 Water Rally in Washington.

Minnesota Governmental Agency Finance Group: No report.

Lewis & Clark Minnesota Joint Powers Board: No Report.

Other:

Election of Officers: opened the floor for nominations for Board officers to take office effective January 1, 2010. Rod Spronk nominated Joe Weber for Chairman. There were no additional nominations so Joe Weber was elected Chairman by unanimous vote of the Board. Jerry Lonneman nominated Rod Spronk for Vice-Chairman. There were no additional nominations so Rod Spronk was elected Vice Chairman by unanimous vote of the Board. Ken Buysse nominated Norris Peterson for Treasurer, and Rod Spronk nominated for Treasurer. Ballots were distributed and collected by , and Norris Peterson and Frank Engels each received 5 votes. A coin toss was conducted, and Norris Peterson was declared the winner and elected Treasurer. Joe Weber nominated Jerry Lonneman for Secretary, and Rod Spronk nominated for Secretary. Ballots were distributed and collected by , and Jerry Lonneman was elected Secretary by a vote of 7 to 3.

CEO Evaluation: reported that the results of the CEO evaluation have been compiled and distributed for discussion. M/S/P Spronk/DeWilde to close the meeting to discuss the CEO evaluation. Healy did not object to closing the meeting. The Board discussed the evaluation results. M/S/P Buysse/Spronk to reopen the meeting. The Board reviewed the evaluation results with Healy.

Adjournment: M/S/P Spronk/Van Dyke to adjourn the meeting at 3:15 p.m. The next Regular Board meeting will be Monday, January 25, 2010 at 10:00 a.m.

Ken Buysse, Secretary