

# **Lincoln Pipestone Rural Water**

415 E Benton St., P.O. Box 188, Lake Benton, MN 56149

507-368-4248 or 800-462-0309

fax: 507-368-4573

email: [lprw@itctel.com](mailto:lprw@itctel.com)

## **Meeting Minutes**

**January 30th, 2017**

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, January 30th, 2017, starting at 10:00am. Chairman Joe Weber called the meeting to order with Commissioners Randy Kraus, Brent Feikema, Rod Spronk (via video comm), Bill Ufkin, Jerry Lonneman, Earl DeWilde, Mitch Kling and Frank Engels present. Commissioners Ken Buysse and Jan Moen were absent. Also present were Board Attorney Ron Schramel, DGR Engineer Darin Schriever, Financial Advisor Nathan Kinner, Field Superintendents Tom Muller and Shawn Nelson, Enterprise Technician Jodi Greer, and General Manager Jason Overby.

**Agenda:** *M/S Engels/Feikema to approve the agenda. Motion carried.*

**Minutes:** *M/S Ufkin/Lonneman to approve minutes from the December 2016 Board Meeting. Motion carried.*

**Engineer's Report:** Schriever presented the Engineering Report.

- CIP Program

Priority #1 (Ellingson Companies):

- Change Order #6

*M/S Kling/Feikema to approve Ellingson Companies Change Order #6 for Priority 1, in the amount of \$1,138.00. Motion carried.*

- PPE #9

*M/S Engels/DeWilde to approve payment to Ellingson Companies PPE#9 for Priority 1, in the amount of \$6,760.02. Motion carried.*

- Priority #2 – Edgerton Pump Station (KHC Construction)

- PPE #6

*M/S Lonneman/Kraus to approve payment to KHC for PPE#6 in the amount of \$308,385.08. Motion carried.*

- Holland WTP

- Nitrate Analyzer Quotes

*M/S Ufkin/Engels to accept quote from Hawkins, Inc. in the amount of \$18,400.00 for in-line nitrate analyzer equipment. Motion carried.*

- Fiberglass Chlorine Buildings (Holland & Verdi) Quotes

***M/S Spronk/Feikema to accept quote from Hawkins for two 6'x4' Chlorine Building for the Holland and Verdi Sites, in the total amount of \$22,294.00. Motion carried.***

- Red Rock Rural Water System – Dominic would like to meet to discuss interconnection and future agreement, possibly in St. Cloud between the two boards. Ufkin recommended meeting with all rural water systems at St. Cloud; and for the Dominic and Jason to meet prior to address interconnection details, following up with committees from each district possibly meeting at conference.

***M/S Ufkin/Kling to host a 7am breakfast with all the Minnesota Rural Water Systems and USDA-Rural Development staff on Tuesday morning at the Minnesota Rural Water Association Conference. Motion carried.***

- City of Edgerton – Spronk had met with a city official discussing cost estimate for municipal connection to LPRW.
- North-Area Water Source – Schriever reviewed analysis of hydraulics and pipeline routes needed to connect with City of Dawson. Short-term and long-term needs were discussed, as well as costs and timelines of each. Schriever stated earliest to have pipe installed likely by autumn, 2017.

***M/S Ufkin/Engels to authorize the General Manager to negotiate a water purchase rate with the City of Dawson for short-term, on-demand need without a capacity buy-in at this time. Motion carried.***

**Operations Report:** January 2017 Operations Report was presented. Additional items discussed included:

- Muller discussed New Fashion Pork hookup request for multiple livestock (hog) barns in the Jackson County-Nobles County area. Request consists of a total of 10 connections comprising 41 capacity units. Hydraulics have been performed and cost estimates provided to applicant.
- Nelson discussed Telste hookup request in North (Burr) service area for 1300-unit hog barn. Moratorium still exists in North (Burr) service area. Weber directed Nelson to inform Telste that LPRW is working on a water source/supply solution for the North service area, and to revisit his hookup request at that time.
- City of Wood Lake – Nelson took message from city engineer stating that no decision has been made regarding their PER and the possibility to connect with LPRW.

- \$500 Membership Fee – discussed as to renaming as an “application fee”. No determination was made.
- Hookup priority within the Moratorium-designated area was discussed.

*Motion by Lonneman for the Water Resource – Equipment Committee to develop a proposal of ‘first-come/first-serve waiting list’ for the Moratorium area. Motion withdrawn by Lonneman.*

*M/S Lonneman/Kraus for the Water Resource – Equipment Committee to research 1) whether LPRW should enact a priority list within a moratorium-designated area; and 2) discuss the topic of enacting an application process and fee for cost estimate requests. Motion carried.*

- Nichols Appraisal – LPRW staff presented Jim Nichols with land appraisal conducted on property held in family trust. Nichols party will accept the appraisal as presented with the condition of sole-sourcing the rental agreement and receiving the CRP payments during the life of the initial CRP contract. Appraisal will have to be reviewed by DNR (per ENRTF requirements) prior to purchasing with grant funds; and a determination will be needed regarding the CRP rental arrangement.

*M/S Ufkin/Engels to move forward with the Nichols appraisal with LCCMR. Motion carried.*

**Manager’s Report:** January Manager’s Report was presented. Additional items discussed included:

- Producer’s Meeting scheduled for February 3<sup>rd</sup> at the EMS building in Pipestone.
- The annual Operations & Contingency “Agency” Meeting is scheduled for 10am, February 16<sup>th</sup> at the Country House.
- Ghent repair bill – LPRW received payment for two repairs on piping leading to city meter pit.
- Mark Hiniker land purchase request within Holland wellfield – Although highly discouraged, Rural Development confirmed that LPRW can sell portion of wellfield originally purchased with grant funds, but LPRW is required to reimburse USDA-RD for any portion of land sold. Spronk and Kling advised management to communicate with Mark Hiniker declining his request to purchase land within wellfield.

- County Water Supply Verification Form - Spronk inquired about letter/form to all the Counties when livestock buildings are built. The verification form is created and accompanying cover letter will be drafted and sent to all county/zoning offices.
- Stueven-Pritchett land purchase – Weber inquired on status of transaction. Schramel is holding paperwork until a response is provided from Mark Stueven. Schramel will follow up with Mark Stueven.

**Attorney’s Report:** Schramel indicated that development continues on a policy for capacity charges. Discussed establishing a ‘maximum individual assessment amount’.

**Treasurer’s Report:** Kinner presented Treasurer’s Report. Work is focused on preparation for audit. Consideration should be made towards updating our accounting software – current system is very antiquated. Discussed timeline for securing a new auditor for FY2017-2018.

***M/S Spronk/Feikema to secure three (3) auditor bid proposals by May for full board review. Motion carried.***

***M/S Lonneman/Engels to accept Treasurer’s Report, as presented. Motion carried.***

Pending Bills:

- DeWild Grant Reckert and Associates Company:
  - General Services Invoice #182 = \$1,564.00
  - 2014-2015 Improvements Project – Priority 1, PPE #19 = \$4,476.30
  - 2016 Improvements Project – Priority 2, PPE #7 = \$26,690.82
  - Comprehensive Tank Maintenance Plan = \$114.00
  - Hendricks-Ivanhoe Tank Recoat Project #7 = \$171.00
- Schramel Law Office:
  - General Services = \$6,318.11
  - 2015 Expansion Project – Priority 2 = \$704.00
- Nobles Co GO Water Revenue Bond, Series 2013A (Northland Trust) = \$176,003.13

***M/S Ufkin/Kraus to approve paying listed pending bills. Motion carried.***

Discussion as to why Board waits to approve consultant invoices, and not paid like other invoices. Schriever explained some invoices relate to various projects. Appears this approval process has been in place for some time. Board agrees to keep as is.

## Committee Reports:

- **Executive Committee:** Nothing to report.
- **Water Resources and Equipment Committee:** Schramel inquired about developing a new agreement with MMU. Ufkin suggested waiting a few months while a determination is made for a North water source.
- **Personnel Committee:** Committee met with several staff members (1/11/17). Kling remarked positively on the individual meetings, providing a “good report”. Questions noted about employee(s) withdrawing from company-provided health insurance; and the possibility of an employee “in-lieu-of” payment as compensation for not taking health insurance coverage. Spronk advised to inquire to MRWA on their format; as well as with our insurance provider. Ufkin stated this is a benefit to the employee, and no monetary compensation should be provided. Personnel Committee minutes to be reviewed/approved at the February board meeting.
- **Budget and Finance Committee:** Nothing to report.
- **Joint Powers Board** – Lonneman noted that L&CRWS is scheduling a Long-Range Planning Meeting.
- **Other Business:**
  - 2017 Service Vehicle Quotes. 2017 truck bid summary provided. A total of six (6) dealerships submitted bids on three (3) new service vehicles.  
*M/S Kling/Feikema to accept Jerry’s Auto bid of \$80,011.00 for three (3) new service vehicles with trade-ins. Motion carried.*
  - Blazing Star Wind Farm/Geronimo Energy Setback Easement.  
*M/S Engels/Lonneman to authorize the execution of the Setback Easement Agreement with Blazing Star Wind Farm, LLC/Geronimo Energy, LLC. Motion carried.*
  - Short-term, Long-term, and Priority 1-2 Bond (Restricted) Accounts. Accounts at First Security Bank are established. Funds will be reallocated from RBC-General accounts to each account based on previous board action, with automatic deposits occurring for the STA account and LTA account. Priority 1-2 Bond (R) account will be funded based on monthly minimums received. Spronk suggested imposing a monthly minimum year-round, similar to billing methods from power companies. Ufkin questioned whether an AMR should be deployed in a pasture tap. Ufkin suggested to consider raising the cost to turn on/shut off, instead of imposing year-round minimums. Feikema requested management/staff to investigate and present findings to committee level.
  - 2017 LPRW Board Committee Appointments. Weber to keep committee appointments the same as 2016.

**Public Comment:** No public comments.

**Adjournment:** *M/S Lonneman/Feikema to adjourn board meeting at 2:43 pm.*

Respectfully Submitted,

Earl DeWilde, LPRW Board Vice-Chair