

Lincoln Pipestone Rural Water

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Meeting Minutes

August 29, 2016

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, August 29, 2016, starting at 6:00pm. Chairman Joe Weber called the meeting to order with Commissioners Ken Buysse, Randy Kraus, Rod Spronk, Bill Ufkin, Jerry Lonneman, Jan Moen, Frank Engels, Earl DeWilde, and Mitch Kling. Absent was Commissioner Brent Feikema. Also present were Board Attorney Ron Schramel, DGR Engineer Darin Schriever, Financial Provider Nathan Kinner, Field Superintendent Shawn Nelson, Enterprise Technician Jodi Greer, and General Manager Jason Overby.

Agenda: *M/S Lonneman/Kraus to approve the agenda. Motion carried.*

Minutes: *M/S Ufkin/Buysse to approve minutes from the July 2016 Board Meeting, and the Water Resource & Equipment Committee Meeting Minutes (8/24/16), as presented. Motion carried.*

Land Discussion – Jim Nichols, Kelly Nichols and Steve Nichols: Nichols group approached LPRW board about enrolling parcel of land into wellhead protection; inquiring about possible purchase by LPRW of 129 acres located north and adjacent to the Verdi wellfield. Board directed Nichols group to provide proposal prior to September board meeting.

Health Insurance Renewal Update – Jon Kozlowski (Kozlowski Insurance Agency): Jon Kozlowski reviewed insurance costs and presented various options to consider. Chairman Weber advised having both Personnel and Budget-Finance Committees review information and provide recommendation by the September board meeting.

Interim Financing and Investment Options – George Eilertson (Northland Securities):

M/S Ufkin/Engels to adopt the Resolution Regarding General Obligation Temporary Water Revenue Bonds, Series 2016B, of Pipestone County, Minnesota. Roll call vote: 10 Ayes, 0 Nays, 1 Absent. Motion carried.

M/S Buysse/Moen to adopt Investment Resolution with US Bank. Roll call vote: 10 Ayes, 0 Nays, 1 Absent. Motion carried.

Engineer's Report: Schriever presented Engineering Report.

- **CIP Program**

Priority 1 – Part 1 (Verdi Source Water & Controls):

M/S Lonneman/Spronk to approve Ellingson Companies Change Order #4 for Priority 1 – Part 1, for the amount of \$7,220.33. Motion carried.

M/S Spronk/Engels to approve Ellingson Companies Change Order #5 for Priority 1 – Part 1, for the amount of \$305.00. Motion carried.

M/S Ufkin/Spronk to approve Ellingson Companies PPE #4 for Priority 1 – Part 1, for the amount of \$403,774.52, pending General Manager review. Motion carried.

Priority 1 – Part 2 (Distribution Improvements): Substantial completion deadline was August 19, 2016. Work has not be completed to achieve this deadline. PRV building erection yet to be completed.

Priority 2 - Magnolia Mainline: With adoption of Resolution of GO Bonds for Temporary financing, Notice-to-Proceed will be issued.

Priority 2 – Edgerton PS/R:

M/S Spronk/Kling to approve KHC Construction PPE #1 for Priority 2 – Edgerton PS/R, for the amount of \$45,289.35, pending USDA-RD approval. Motion carried.

- **Comprehensive Tank Maintenance** – Update of Minneota Tower & Rushmore Tower CIT's. Discussed Hendricks/Ivanhoe tower project.

Operations Report: August Operations Report was presented.

Manager's Report: August Manager's Report was presented. Other items discussed included:

- Sending an official notice of rate increases to Worthington Public Utilities.
- LCCMR update: LPRW cannot contribute additional funds above the appraised value, per guidelines stipulated by the ENRTF. Manager will schedule board conference call once appraisal is complete.

Attorney's Report:

- Adrian Contract – recommendation to approve Water Supply Agreement with City of Adrian.

M/S Lonneman/Kling to approve the Water Supply Agreement with the City of Adrian. Motion carried.

Treasurer's Report: Kinner presented the Treasurer's report. Described reducing content and streamlining all financial reports. Kinner will meet with Budget & Finance Committee in September in preparation for 2017 budget. Lonneman shared layout/design of Lewis & Clark RWS financial reports.

Pending Bills:

- DeWild Grant Reckert and Associates Company:
 - General Services Invoice #178 = \$2,006.50
 - 2014-2015 Improvements Project – Priority 1, PPE #15 = \$17,616.18
 - 2016 Improvements Project – Priority 2, PPE #4 = \$46,978.00
- Schramel Law Office:
 - General Services = \$3,487.00
 - 2016 Expansion Project – Priority 1 = \$96.00
 - 2016 Expansion Project – Priority 2 = \$2,192.00
- Lewis & Clark RWS
 - Modifications to Magnolia Building (2nd installment) = \$89,602.50

M/S Ufkin/Lonneman to approve paying the listed bills from DGR, Schramel Law Office and L&CRWS, as presented. Motion carried.

Committee Reports:

- **Executive Committee:** Nothing to report.
- **Personnel Committee:** Will schedule to meet in September to discuss the following: Health Insurance, General Manager's 6-month evaluation.
- **Water Resources and Equipment Committee:** DeWilde reviewed meeting topics, including: securing volumes from Brookings-Deuel RWS; storage

requirements for large users/livestock facilities; capacity charges (municipal and rural). Recommendation to raise the capacity fees for municipalities (to \$9.00 per gallon) and rural users (to \$10,000 per 50,000 gallons).

M/S DeWilde/Ufkin to raise the capacity charge to \$9.00 per gallon for municipalities, and \$10,000.00 per 50,000 gallons for rural users, effective 8/29/16. LPRW will honor any pending rural customer cost estimates at former rates. LPRW will honor existing quote provided to City of Edgerton until December 31, 2016. Any requests for water service received after 8/29/16 will be issued the proposed new rate. Roll call vote: 9 Ayes, 1 Nay (Lonneman) and 1 Absent. Motion carried.

- **Budget and Finance Committee:** Will schedule to meet in September to discuss budget.
- **Joint Powers Board Representative:** Nothing to report.

Other Business:

- Financial Service Provider Contract
M/S Engels/DeWilde to approve the Financial Services Provider contract with Kinner and Company. Motion carried.
- Resolution regarding PSIG Grant Funding for Priority 2 CIP Project
M/S Ufkin/Moen to adopt Resolution authorizing LPRW Board Chair and Secretary to sign for the Point Source Implementation Grant Agreement. Roll call vote: 10 Ayes, 0 Nays, 1 Absent. Motion carried.
- OCRWS Amendment to the Water Purchase Agreement
M/S Kling/Kraus to approve the Amendment to Water Purchase Agreement between OCRWS and LPRW. Motion carried.
- L&C RWS ARCA Amendment – Authorization to Sign
M/S Buysse/Engels to authorize Jerry Lonneman to sign on behalf of LPRW Lewis & Clark Regional Water Systems' Agreement to Amend Section 2.3.2(a) of the ARCA. Motion carried.
- General Managers request to attend Minnesota AWWA Conference in Duluth, MN held in September
M/S Ufkin/Spronk to approve Manager's request to attend the 2016 MN-AWWA Conference in Duluth, MN, September 20-23, 2016. Motion carried.

Public Comment: No public comments.

Adjournment: *M/S Kling/Kraus to adjourn board meeting at 10:22 pm. Motion carried.*

Respectfully Submitted,

Janice Moen, LPRW Board Secretary