

Lincoln Pipestone Rural Water

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Meeting Minutes

December 18th, 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, December 18th, 2017, starting at 9:00am. Vice-Chair Earl DeWilde called the meeting to order with Commissioners Ken Buysse, Bill Ufkin, Rod Spronk, Brent Feikema, Jerry Lonneman, Mitch Kling, Randy Kraus, Jan Moen, and Frank Engels present. Chairman Joe Weber arrived later. Also present were Board Attorney Ron Schramel, DGR Engineer Darin Schriever, Financial Advisor Nathan Kinner, Field Supervisor Shawn Nelson, Enterprise Technician Jodi Greer, and General Manager Jason Overby.

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

Minutes: *M/S Ufkin/Feikema to approve minutes from the November 2017 Board Meeting.*

December Capacity Variance Hearing: The following case was heard, and LPRW Board decisions were documented:

Petitioner: **Kracht Family Farms**

Request: The following items were requested:

1. To have no (capacity) limit applied because there was not one prior;
2. To consider using the 2013-14 water usage date at this location;
3. To desire a yearly allotment of gallons, versus monthly allotment, applied to this service.

Findings: Leon Kracht and Lucas Kracht were present at the hearing and described situation at their farm/business. GM reviewed data analysis and presented recommendations for each of the requested items.

1. Recommendation to deny party's request for no capacity limit.
2. Recommendation is to use 2013-14 data when customer was fully utilizing LPRW water based on operational use of private well and LPRW source. Using 2013-14 water usage data, the board-based formula would establish a capacity limit of 100,000 gallons per month.
3. Recommendation is to deny request to calculate water usage on a yearly basis.

M/S Engels/Feikema to go with GM recommendations including the use of 2013-14 data to calculate a new capacity limit of 100,000 gallons per month for this account. Motion carried.

Engineer's Report: Darin Schriever presented Engineering Report

CIP Program

Priority #1: Nothing to report

Priority #2:

- **North SCADA Project:** Internet at Burr Plant. LPRW has received a proposal from MVTV to provide internet service at our Burr WTP free of charge if LPRW allows them to post an access point on our building along with a control source inside the building.

M/S Spronk/Lonneman to move accept the proposal from MVTV granting them access to install and maintain equipment necessary to provide internet service, in exchange for providing free internet service to LPRW at this location. Motion carried.

- **Meter Replacement/AMR System:** Schramel discussed negotiations with Badger Meter on the AMA Master Service Agreement. Some terms and contract language was changed to be more favorable to LPRW. Schramel recommended accepting the revised service contract with Badger Meter.

M/S Ufkin/Engels to approve the AMA Master Service Agreement with Badger Meter. Motion carried.

Holland WTP: Schriever recommended approval to KHC Construction for stored materials delivered for Holland WTP Pressure Filter Rehab project.

M/S Buysse/Kling to approve the payment to KHC Construction for PPE #1 in the amount of \$105,746.26. Motion carried.

Comprehensive Tank Maintenance Plan: Bids were accepted from two vendors for the resealing of Lynd Tank; as well as the purchase and installation of a tank mixer for the Lynd Tank and installation of additional cathodic protection at Holland Large Tank. Schriever recommended accepting the lowest bid from Great Plains Structures, LLC.

M/S Kraus/Moen to accept bid proposal for tank resealing and the purchase and installation of tank mixer for the Lynd Tank, and installation of additional cathodic protection at Holland Large Tank, from Great Plains Structures, LLC. in the amount of \$40,864.00. Motion carried.

City of Dawson Connection:

Pipeline Construction (Winter Brothers Underground):

M/S Lonneman/Feikema to approve payment to Winter Brothers Underground for PPE #2 in the amount of \$175,024.13. Motion carried.

Dawson Meter/Booster Station Construction: A total of five bids, ranging from \$97,500.00 to \$188,700.00, were submitted for construction of the Dawson meter/booster building. Schriever recommended accepting the lowest bid from HydroTech Service (Pipestone, MN).

M/S Engels/Kling to award the bid for construction of the Dawson Meter/Booster Station to HydroTech Service in the amount of \$97,500. Motion carried.

North Water Source: Schriever discussed the options for construction of a MDH-approved production well versus a temporary test well.

M/S Engels/Ufkin to proceed with the development of a MDH-approved production well. Motion carried.

M/S Kraus/Spronk to recess the current monthly board meeting to conduct a public hearing for Wellhead Protection Plan. Motion carried.

Public Hearing (10:00am): Wellhead Protection Plan.

Chairman Joe Weber opened the Public Hearing at 10:00 am. Present at the hearing was all members of the LPRW Board, Ron Schramel (LPRW legal counsel), Darin Schriever (LPRW engineer), Nathan Kinner (LPRW financial consultant), Amanda Strommer (MDH Principal Planner), and a representative from Grange Township (Pipestone County); as well as LPRW staff members Jared Beck (LPRW Wellhead Protection Manager), Jodi Greer, Tom Muller, Shawn Nelson and Jason Overby (LPRW General Manager).

Beck provided a brief overview of the plan structure and development. Strommer provided comments to overall progress with plan creating; stating that a wonderful job was done by LPRW staff, the plan document writer (Terry Bovee) and contributions from Aaron Meyer (MRWA Source Water Protection Specialist). Beck shared a support letter from Lincoln County SWCD office. No additional public comment(s) were documented.

M/S DeWilde/Engels to approve the WHP plan, and to forward the plan to MDH for final approval. Motion carried.

Public Hearing for WHP Plan was closed by the LPRW Board Chair at 10:10 am.

M/S Lonneman/Moen to reopen the regular monthly board meeting. Motion carried.

Operations Report: December Operations Report was presented.

Weber inquired as to the number of requests for water for livestock barns within Pipestone County. Muller stated that there has been requests but few cost estimates have been pursued. Muller also reported that the city of Pipestone may have additional water to sell in the future after the completion of their city water treatment facility.

Manager's Report: December Manager's Report was presented.

City of Clarkfield is progressing forward with their CIP plan. USDA-RD has recently completed review of City's preliminary engineering report. Clarkfield has LPRW as their primary option.

Attorney's Report:

Schramel reviewed assessment data from 2017; additional capacities purchased in 2017; and historical overview of annual assessments (2013-2017). An assessment hearing is scheduled at the Lyon County Courthouse on December 27th, 2017.

Schramel provided opinion as to meals and gifts. By board consensus, effective January 1, 2018 the board decided to discontinue giving gift cards to the employees and hams to board members, consultants and employees based on recent opinion by the MN State Auditor's Office.

Treasurer's Report: Kinner presented the 2018 Budget and the December Treasurer's report.

Spronk suggested producing annually a detailed report of the short-term/long-term assets.

GM shared discussions held with Doug Westerman (OCRWS) about OCRWS's interest in LPRW participating in lime softening treatment improvements at their May City plant. Switching over a portion of the existing treatment plant to lime-softening is part of a multi-phase capital improvement projects. After further discussion, it was agreed that LPRW would not be interested in participating at this time.

GM provided update as to League of MN Cities Property/Casualty Insurance. LPRW is to receive a dividend of \$6,305.

M/S Spronk/Engels to approve 2018 Budget. Motion carried.

M/S Lonneman/Feikema to approve the Treasurer's report, as presented. Motion carried.

Pending Bills:

- DeWild Grant Reckert and Associates Company:
 - General Services Invoice #194 = \$2,347.00

- 2016 Improvements Project – Priority 2, PPE #20 = \$22,980.75
- Dawson Water Source PPE #8 = \$6,203.00
- Schramel Law Office:
 - General Services = \$7,276.21
 - Priority 2 = \$1,452.50
- Kinner & Co.= \$6,112.50
- Meulebroeck, Taubert & Co = \$14,600.00
- US Bank – Lincoln Co. GO Refunding Bond, Series 2012 = \$121,050.00
- US Bank – Yellow Medicine Co. GO Refunding Bond, Series 2008 = \$284,058.76

M/S Kling/Kraus to pay pending bills, as presented. Motion carried.

Committee Reports:

- **Executive Committee:** Nothing to report.
- **Personnel Committee:** Meeting with the staff December 27th.
- **Budget and Finance Committee:** Nothing to report.
- **Water Resources and Equipment Committee:**

M/S DeWilde/Feikema to approve the minutes from the 12/5/17 WRC meeting. Motion carried.

- MMU:

M/S Ufkin/DeWilde to pursue a 2nd amendment to the original water supply agreement with MMU for a total annual volume of 30 million gallons per year (MGY) with the following conditions applied:

- 1. That LPRW will provide MMU flow rates on a consistent basis between 50-80 gallons per minute (gpm) utilizing a flow restrictor plate; with possibility of flow rates being reduced to zero flow during LPRW peak usage periods.*
- 2. That LPRW and the City agree that the price for all water one Party provides to the other Party shall be at the municipal rate LPRW charges to its other municipal customers; and to which the LPRW Board may adjust from time to time.*
- 3. That any water LPRW provides MMU above 30 MGY, MMU will be charged the current municipal rate (currently set at \$2.46/1,000 gallons), plus the capacity fee (proposed to be set at \$0.82/1,000 gallons).*

Motion carried.

- Topeka Shiner Habitat:
M/S DeWilde/Spronk to accept USFWS proposal for Topeka shiner habitat creation on LPRW's Holland wellfield property, as long as USFWS signs off stating no conflicts arise to current and future CRP contracts or water appropriation permit(s) with the DNR. Motion carried.
- PLOVGH Trademark License Agreement:
M/S Engels/Feikema to proceed with PLOVGH agreement. Motion carried.
- Water Users Agreement:
M/S Kling/Spronk to require all LPRW customers to sign a new Water Users Agreement at the time of meter/AMR deployment; with final approval from legal regarding the language changes to the agreement. Motion carried.
- Meter Pits:
M/S Ufkin/Moen to require meter pits to be required for all new installations and customer-requested service moves. All material costs for the meter pit and its contents be imposed onto the customer. Labor costs will not be charged to existing customers. For new installations, material and labor costs will be factored into the cost estimate. Motion carried.
- Mowing Contract: Include in contract a contact person(s) with LPRW staff to work with identifying frequency of mowing throughout the year.
- **Joint Powers Board Representative:** Nothing to report.

Other Business:

- Nichols Property. Weber indicated that the Nichols family have decided to enroll property, located adjacent to Verdi PW-5 and within the Verdi DWSMA, into CRP. They have inquired if LPRW would assist in seeding costs.
M/S DeWilde/Buysse to offer to pay up to 10% of total, or \$2,000 maximum, in seeding costs for CRP on 120 acres of land owned by Nichols family. Motion carried.
LPRW may have funds available from Source Water Protection Grant that could help with the costs.
- 2018 Holiday Schedule:
M/S Ufkin/Lonneman to approve the 2018 Holiday Schedule, as presented. Motion carried.
- 2018 Board Meeting Schedule:
M/S Buysse/Engels to approve the 2018 Board Meeting Schedule, as presented. Motion carried.
- 2018 Board Officer Nominations

Chair – Engels nominated DeWilde. No other nominations provided.

Approval of DeWilde as Board Chair for 2018. Motion carried.

Vice-Chair – Ufkin nominated Kling. Engels nominated Feikema. Ballots were cast and tallied.

Eight (8) votes for Kling, and three (3) votes for Feikema. Approval of Kling as Board Vice-Chair for 2018. Motion carried.

Treasurer – Engels nominated Spronk. No other nominations provided.

Approval of Spronk as Board Treasurer for 2018. Motion carried.

Secretary – Feikema nominated Moen. Moen nominated Buysse. Ballots were cast and tallied.

Seven (7) votes for Moen, and four (4) votes for Buysse. Approval of Moen as Board Secretary for 2018. Motion carried.

DeWilde to appoint board members to committees. Committee appointments will be finalized at the January Board meeting.

Public Comment: No public comments.

Adjournment: *M/S Engels/Feikema to adjourn board meeting at 1:00 pm.*

Respectfully Submitted,

Janice Moen, LPRW Board Secretary