

# **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**

**December 14<sup>th</sup>, 2020**

The regular scheduled meeting of the Lincoln Pipestone Rural Water (LPRW) System Board of Commissioners was held at the LPRW office in Lake Benton using WebEx video/teleconferencing on Monday, December 14<sup>th</sup>, 2020, starting at 9:02 AM. Mitch Kling Board Chairman conducted roll call for the Member Commissioners at the start of the board meeting to establish a quorum with Commissioners Glen Grant, Bill Ufkin, Joe Weber, Jerry Lonneman, Earl DeWilde, Frank Engels, Randy Kraus, Rod Spronk, Jan Moen, and Brent Feikema. Also in attendance were DGR Engineer Darin Schriever, Kinner and Co. Nathan Kinner, Board Attorney Ron Schramel, Supervisor Tom Muller, and General Manager Jason Overby, Enterprise Technician Jodi Greer, Lyon County Commissioner Rick Anderson and George Eilertson with Northland Securities.

**Agenda:** *M/S Feikema/Ufkin to approve the agenda. Upon a roll call, Aye: 9, Nay: 0, Absent: 1 (Engels). Motion carried.*

**Minutes:** *M/S Lonneman/Grant to approve the minutes from the November 30, 2020 Board Meeting. Upon a roll call, Aye: 9, Nay: 0, Absent: 1 (Engels). Motion carried.*

Commissioner Engels joined the meeting.

### **George Eilertson (Northland Securities) – Review of Refunding of Pipestone County \$9.89M GO Bond, Series 2019:**

Eilertson provided overview of possible refunding of bond. Refunding is contingent upon the County's anticipation of new debt service, of which the Administrator indicated no plans for new debt in 2021. Refinancing with a shorter term can reduce approximately 8 years on loan life, with annual debt service payments increase by approximately \$50,000. The length of time for the refunding process is 60-75 days between LPRW Board resolution and bond sale. The refinancing process can be initiated without any charges until a "bond rating call" occurs wherein fees would take effect. Further discussion occurred with other bond payoffs.

***M/S Ufkin/Engels to approve the payoff of the Nobles County \$1.595M GO Crossover Refunding Bond, Series 2012A. Upon a roll call, Aye: 10, Nay: 0. Motion carried.***

**Engineer's Report:** Darin Schriever presented Engineering Report for December.

- SCADA Project – pay request to be submitted later in December.
- Tyler-Russell Pipeline Project – Winter Contracting has met Substantial Completion. A final walk-through occurred on Dec 10<sup>th</sup>, with a final punch list generated. Pat McCarthy, serving as LPRW resident inspector, provided the Board an overview of the project. Pay request and Change Orders to be submitted later in December.

Schriever recommended GM to review and approve payment for the above project pay requests and change orders, with the concurrence from engineering.

***M/S Lonneman/DeWilde to authorize GM to review and approve December project-related pay requests and change orders for the SCADA and Tyler-Russell Pipeline projects, respectively. Upon a roll call, Aye: 10, Nay: 0. Motion carried.***

**Operations Report:** Muller presented the December Operations Report. Commissioner Engels inquired about information provided to DNR. Muller to follow up on this. Commissioner Spronk asked about the higher usage shown on the OCRWS bill. It was noted that a longer billing cycle had occurred on this invoice, reflecting a higher usage and monthly charges.

**Manager's Report:** Overby presented the December Manager's Report. George Eilertson joined again to provide follow up on refinancing savings of Nobles Co. Bond Series 2012. Anticipated savings of \$20,875 in interest costs from refinancing.

**Attorney's Report:** No report.

**Treasurer's Report:** Kinner provided follow up on OCRWS invoice, concurring it to be timing on the billing cycle between two months. Kinner then provided a quick overview of paying down additional moneys to annual service debt on the Pipestone Co 2019 Bond. LPRW could potentially see a \$981,217 savings in interest costs if paying down debt with an additional \$50,000 annual payment to principle; and reducing term length by seven (7) years.

Kinner presented the Treasurer's Report for December 2020. Spronk asked about Farm income reported. Kinner noted one payment is still outstanding, confirmed by GM. Ufkin asked about current interest rates on investments. Kinner stated that most are within the 0.05% to 0.1% range. Ufkin then requested Kinner to investigate the option of making a \$1M down payment to the Pipestone Co Bond Series 2019 to lesson overall debt service. Ufkin inquired as to the large amounts of customer monthly overage charges. Muller noted that many stem from large livestock accounts. GM will further investigate with billing staff.

Enterprise Technician, Jodi Greer joined the meeting.

***M/S Spronk/Lonneman to approve Treasurer's Report, as presented. Upon a roll call, Aye: 9, Nay: 0. No Vote - Lonneman. Motion carried.***

**Paid Bills:**

***M/S Moen/Engels to approve payment on checks #6377 through #6480. Upon a roll call, Aye: 10, Nay: 0. Motion carried.***

### Pending Bills:

- DeWild Grant Reckert and Associates Company:
  - General Services = \$944.00
  - 2016 Improvements-Pro. #2 = \$11,806.50
  - North Area Water Source = \$1,250.50
- Schramel Law Office:
  - General Services = \$4,122.50
  - Project #2 = \$262.50
  - North Area Water Source = \$1,872.50
- US Bank
  - Lincoln County Series 2012 = \$122,450.00
  - Yellow Medicine Series 2016A = \$275,431.25
- USDA Bond Payments:
  - #91-24 2010B = \$446,375.00
  - #91-31 2016B = \$120,420.00
  - #91-33 2016B = \$359,821.71

*M/S Ufkin/Feikema to approve paying pending bills as presented. Upon a roll call Aye: 10 Nay: 0. Motion carried.*

### Committee Reports:

- **Executive Committee:** Nothing to report.
- **Budget and Finance Committee:** Nothing to Report.
- **Personnel Committee:** Kraus provided overview of the items addressed a meeting.

- Filling of the vacant (North) Water Operator position.

*M/S Kraus/Engels to approve GM and Committee recommendation to offer Glen Grant the position of water operator with a starting wage of \$22.50 per hours and crediting his four (4) years of LPRW service to select benefits, contingent upon his termination from his current role as LPRW Board Commissioner prior to accepting this position. Upon a roll call, Aye: 9, Nay: 0, Abstain: 1 (Grant). Motion carried.*

- Additional Water Operator Position.

*M/S Ufkin/Feikema to approve the hiring of an additional water operator. Upon roll call, Aye: 9, Nay: 1 (Spronk). Motion carried.*

- Recap of Health Savings Account. Greer provided a historical background on HSA at LPRW.

*M/S Spronk/Moen to approve the minutes of the December 8<sup>th</sup>, 2020 meeting. Upon roll call, Aye: 10, Nay: 0. Motion carried.*

- **Water Resource/Equipment Committee:** Nothing to report.
- **Joint Powers Board Representative:** Lonneman provided update as to L&C Chairman Red Arndt health condition. Lonneman indicated the concept of L&C “IP” has gone away.

< 10-Min BREAK >

### **Other Business:**

- Truck Bids: Truck bids for two (2) ¾-ton pickups and one (1) ½-ton pickup were solicited from six dealerships. Four dealerships submitted bids.

*M/S Ufkin/Kraus to accept the low bids for two ¾-ton trucks from Lockwood Motors (Marshall) and one ½-ton truck from Billion Chevy (Sioux Falls), and to inquire to Lockwood Motors if LPRW can acquire an additional ¾-ton truck at the same bid price submitted. Upon roll call, Aye: 8, Nay: 2 (Spronk, Lonneman). Motion carried.*

- 2021 Holiday Schedule:

*M/S Spronk/Engels to approve the 2021 Holiday Schedule. Upon roll call, Aye: 10, Nay: 0. Motion carried.*

- 2021 Board Meeting Schedule: Chairman Kling suggested moving all virtual meetings to 9:00AM start time until situation changes with COVID.

*M/S Spronk/Feikema to approve the 2021 board meeting schedule, as presented, changing all virtual meetings to 9:00AM instead of 10:00AM. Upon roll call, Aye: 9, Nay: 1 (Weber). Motion carried.*

- 2021 Election of Board Officers: Schramel administered the election procedures while the GM conducted voting roll call.

*Chair: Feikema nominated Mitch Kling for Chairman. With no other nominations, nominations ceased. Upon roll call Aye: 10, Nay: 0. Motion carried.*

*Vice-Chair: Engels nominated Joe Weber for Vice-Chairman. With no other nominations, nominations ceased. Upon roll call Aye: 10, Nay: 0. Motion carried.*

*Secretary: Kling nominated Randy Kraus for Secretary. With no other nominations, nominations ceased. Upon roll call Aye: 10, Nay: 0. Motion carried.*

Treasurer: *Lonneman nominated Rod Spronk for Treasurer. With no other nominations, nominations ceased. Upon roll call Aye: 9 Nay: 0, Abstained: 1 (Spronk). Motion carried.*

- Commissioner Spronk asked about soliciting customers on the North end; while Commissioner Engels wanting to initiate discussions with cities for possible connection to the North Water Source. GM indicated that steps will be formulated with staff, engineering and committee members providing input on customer solicitation, site location, among other items.

**Public Comment:** No public comment.

**Next Meeting:** January 25<sup>th</sup> at 9:00AM.

**Adjournment:** *M/S Grant/Feikema to adjourn the board meeting at 12:40 pm. Upon a roll call, Aye: 10, Nay: 0. Motion carried.*

Respectfully Submitted,

Randy Kraus, LPRW Board Secretary