

Lincoln Pipestone Rural Water

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Meeting Minutes

July 31st, 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, July 31, 2017, starting at 5:00pm. Chairman Joe Weber called the meeting to order with Commissioners Ken Buysse, Randy Kraus, Brent Feikema, Jerry Lonneman, Earl DeWilde, Mitch Kling, Jan Moen, and Frank Engels present. Absent was Commissioners Rod Spronk, Bill Ufkin. Also present were Board Attorney Ron Schramel, DGR Engineer Darin Schriever, Financial Advisor Nathan Kinner, Field Supervisors Tom Muller and Shawn Nelson, Enterprise Technician Jodi Greer, and General Manager Jason Overby.

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

Minutes:

M/S Buysse/Lonneman to approve minutes from the June 26, 2017 Board Meeting, as presented. Motion carried.

M/S Lonneman/Kraus to approve minutes from the July 17, 2017 Special Board Meeting, as presented. Motion carried.

Engineer's Report: Schriever presented Engineering Report.

CIP Program:

- Priority #1: Nothing to report
- Priority #2:
 - *Magnolia to Edgerton Pipeline (Winter Brothers Underground):* All pipe has been installed. One leak to locate, then Bact-T test the line.
 - *Edgerton PS/Rs (KHC Construction):* Punch list items have not been completed and final papers have not all been received. PPE #12 (Final) in the amount of \$19,969.21 was requested by KHC. Engineering is not recommending final payment until punch list and final papers are completed.
 - *Edgerton PS/Rs SCADA Integration:* Statements of Qualifications (SOQs) were received from six vendors. LPRW staff and DRG staff reviewed and scored all submittals, resulting in a short-list of three vendors from which

LPRW plans to request cost proposals. Currently waiting on RD concurrence.

- *Meter Replacement/AMR System:* RD has approved final plans and specs. DGR is working on some modifications to the spec based on recent developments from manufacturers.

Holland WTP Pressure Filter Rehab Project:

Bid opening was conducted on July 27, 2017. Five bids were submitted ranging from \$157,000 to \$188,880. Low bid was from KHC Construction for \$157,000.

M/S Moen/Engels to award the Holland Pressure Filter Rehab Project to KHC Construction in the amount of \$157,000. Motion carried.

RRRWS:

Agreement was up for renegotiations in May of 2017. This was discussed at the February Board Meeting and decided that LPRW would not enter into a contract with RRRWS for supplying water and to defer the “per thousand capacity” charge until May 2018, with the understanding that LPRW will continue to supply water to RRRWS, as available.

City of Dawson Water Source:

Bid opening was conducted on July 27, 2017. Ten (10) bids were submitted for the pipeline construction project, ranging from \$346,458.25 to \$680,587.50. Low bid was from Winter Brothers Underground for \$346,458.25.

M/S Buysse/Engels to award the Dawson Connection Pipeline Project to Winter Brothers Underground in the amount of \$346,458.25. Motion carried.

Board directed staff to begin obtaining easements for the pipeline route.

Operations Report: July Operations Report was presented. Additional discussion included the following:

- *City of Ghent:* City will be securing own contractors to build the city meter house, instead of LPRW staff.

Manager’s Report: July Manager’s Report was presented.

Attorney’s Report: Schramel will be attending the Lyon County Board Meeting, August 1, 2017 at 9:15am to discuss LPRW Board of Commissioner structure and the reconsideration of approving reappointment of three LPRW board members.

Treasurer’s Report: Kinner presented the Treasurer’s report.

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 #189 = \$5,898.00
 - 2016 Improvements Project – Priority 2, PPE #15 = \$18,238.85
 - Dawson Water Source PPE #3 = \$16,220.00
 - CTMP Invoice #00224900 = \$316.00
- Schramel Law Office:
 - General Services = \$4,983.10
 - 2015 Expansion Project – Priority 1 = \$122.50
- Nobles Co GO Bond, Series 2013A = \$39,473.13

M/S Buysse/Kling to approve paying the listed bills from DGR and Schramel Law Office, as presented. Motion carried.

Committee Reports:

- **Executive Committee:** Nothing to report.
- **Personnel Committee:** Nothing to report.
- **Budget and Finance Committee:** Kinner reviewed the minutes from the B-F Committee meeting, which included the following: Restricted Fund Allocation; Auditor Search; Property/Casualty Insurance; Monthly Financial Reporting Procedures & Software Conversion; PMA (4M) Investment Fund. Recommendations were provided to full board for consideration.

M/S Engels/Kling to carry in restricted reserves 105% of annual principal and interest payments, adjusted at year end, excluding Priority 1 & 2 Bond payments and related designated reserve accounts. Motion carried.

M/S Kling/Feikema that as soon as all necessary paperwork has been completed, to initiate the transfer of funds to PMA 4M Fund investment accounts. Motion carried.

M/S Moen/Buysse that all employee payroll be converted to direct deposit (electronic) only by the end of August. Motion carried.

- **Water Resources and Equipment Committee:** Recommendations were provided to full board for consideration. Discussion on the draft Usage Capacity Policy. Changes to the draft included within the Transfer of Purchased Capacity section the definition of *ownership* as “an individual or 51% or more ownership

of a business entity”; within the Penalty for Capacity Exceedance section the following statement *“In addition to the penalty, overages may subject customer to water termination due to lack of water availability.”*; and the insertion of *“annual”* to describe interest rate(s) in the Assessment section.

M/S DeWilde/Engels to approve the Usage Capacity Policy, with language changes, as amended. Motion carried.

- **Joint Powers Board Representative:** Dan Zulkosky (Lewis & Clark RWS Construction Administrator) has resigned and accepted the position of City Administrator for the City of Tea, SD.

Other Business: No new business reported.

Public Comment: No public comments.

Adjournment: *M/S Lonneman/Feikema to adjourn board meeting at 7:19 pm. Motion carried.*

Respectfully Submitted,

Janice Moen, LPRW Board Secretary