

Lincoln Pipestone Rural Water

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Meeting Minutes

September 27th, 2021

The regular scheduled meeting of the Lincoln Pipestone Rural Water (LPRW) System Board of Commissioners was held at the LPRW Office in Lake Benton, MN, on Monday, September 27, 2021; and was available for viewing/participating via Zoom video/teleconferencing. The meeting was called to order at 5:04 PM by Board Chairman Mitch Kling. A quorum was established with Commissioners Frank Engels, Randy Kraus, Jan Moen, Brent Feikema, Peter Petersen, Earl DeWilde, Joe Weber, Bill Ufkin and Rod Spronk in attendance. Commissioner Jerry Lonneman was absent. Also attending was Board Attorney Ron Schramel, DGR Engineer Darin Schriever, Kinner and Co. Nathan Kinner, Field Supervisor Tom Muller, Enterprise Technician Jodi Greer, Lyon County Commissioner Rick Anderson, and General Manager Jason Overby.

Agenda: *M/S Ufkin/Feikema to approve the agenda, with the addition of Lewis and Clark discussion item. Yea (9), Nay (0), Absent (1-Lonneman). Motion carried.*

Minutes: *M/S Moen/Spronk to approve the minutes from the August 2021 Board Meeting. Yea (9), Nay (0), Absent (1-Lonneman). Motion carried.*

Transfer Capacity Request: Delbert Bullerman

Delbert Bullerman presented his request to transfer capacity units from an existing site location to a new site that he has just purchased. Delbert also indicated that additional capacities (up to 250,000 gallons per month) may be needed at the new site in the future. The GM had reviewed the request and found that the capacity units he was requesting to transfer from the original site were not purchased capacities; therefore, the recommendation was to deny the request based on board policy. There was lengthy discussion regarding the transfer of capacity units and the policy that was created in 2017 which had expired in 2019. The policy language stated that transfers were allowed for purchased capacities only.

M/S Ufkin/DeWilde to deny the Bullerman request to transfer capacities. Roll call vote: Aye (5-Ufkin, Moen, DeWilde, Feikema, Weber), Nay (4-Spronk, Petersen, Kraus, Engels), Absent (1-Lonneman). Motion carried.

Commissioner Ufkin requested staff to send Delbert Bullerman an estimate on what the capacity and line costs would be for that service location.

Engineer's Report: Darin Schriever presented the Engineering Report for September.

- Priority 2 Projects – project documentation is getting wrapped up.
- CTMP – Chandler tower inspection scheduled this fall.
- City of Rushmore – approved to connect to LPRW.
- CIP Listing for ARPA funding – working with GM to create list.

Operations Report: Muller presented the September Operations Report. Muller noted pipeline leaks occurring on mains between Pipestone and Edgerton. Commissioner Petersen asked if air release valves were positioned along this segment; also suggesting staff to submit a segment of failed pipe to get analyzed. Schriever indicated that there were independent pipe companies and pipe suppliers that could possibly perform this condition analysis.

Manager's Report: Overby presented the September Manager's Report. Highlights included status with City of Florence, City of Rushmore, update on CD's coming due with BankStar, and overview of the visit at the Johnson property as a possible Office/Shop location. Board consensus was to continue to move forward with EDA/City of Lake Benton and DGR on CIP plans. Commissioner DeWilde suggested visiting Sioux Valley Energy's shop/office in Pipestone for layout ideas.

Attorney's Report: No report provided.

Treasurer's Report: Treasurer's Report for September was included in the board packet. Kinner noted that 60 hookups/signups are on the books to date. Commissioner Ufkin asked about why municipal usage was so high. GM indicated that several communities were going over their daily allocation, likely stemming from drought conditions.

M/S Weber/Engels to approve the Treasurer's Report, as presented. Yea (9), Nay (0), Absent (1-Lonneman). Motion carried.

Paid Bills:

M/S Ufkin/DeWilde to approve payment on checks #7461 – 7575, excluding voided checks #7460 & #7576. Yea (9), Nay (0), Absent (1-Lonneman). Motion carried.

Pending Bills:

- DeWild Grant Reckert and Associates Company:
 - General Services = \$5,418.50
 - North Water Source = \$842.00
 - 2016 Improvements = \$14,319.20

- Schramel Law Office:
 - General Services = \$1,662.10

M/S Engels/Moen to approve paying pending bills, as presented. Yea (9), Nay (0), Absent (1-Lonneman). Motion carried.

Committee Reports:

- **Executive Committee:** Nothing to report.
- **Budget and Finance Committee:** A preliminary budget meeting to be scheduled in October.
- **Personnel Committee:** A Personnel Committee meeting to be scheduled in October.
- **Water Resources & Equipment Committee:** Nothing to report.
- **Joint Powers Board Representative:** Nothing to report.

Other Business:

- Nobles Co. 2021A Bond Resolution approval.

M/S Spronk/Kraus to approve the Resolution Regarding General Obligation Water Revenue Refunding Bonds, Series 2021A of Nobles County Minnesota. Yea (9), Nay (0), Absent (1-Lonneman). Motion carried.

- Nobles Co Bond Refunding Options. Three options for refinancing of the BAB Bond were provided by Northland Securities showing varying interest rates, term lengths and a cash payment option for.

M/S Ufkin/Spronk to approve Option #3: \$1 million cash contribution to shorten final maturity by 8 years; and to designate cash payment from restricted reserve fund account. Yea (9), Nay (0), Absent (1-Lonneman). Motion carried.

- Groeneweg Service Issue. LPRW staff was advised by legal counsel that a water disconnect letter is to be sent to the actual owner of the property before staff can proceed with water service shutoff. Schramel will contact the attorney representing the John Groeneweg; then provide notice to the actual property owners of water service shutoff. Consensus of the Board for Schramel to move forward with disconnect notification process.
- City of Florence 2nd Generation Water Purchase Agreement. City officials have approved the agreement with LPRW.

M/S Feikema/Weber to approve the Water Purchase Agreement with the City of Florence. Yea (9), Nay (0), Absent (1-Lonneman). Motion carried.

- L&C Expansion Agreement. Chairman Kling officially tabled action on the Expansion Agreement with L&C until further discussion held with Commissioner Lonneman.
- Lewis and Clark Investments/Reserves (added agenda item). Commissioner Ufkin expressed concern that money paid by L&C Members which are held in L&C reserve fund accounts/investments are not federally insured. Ufkin would like to see that money held in a more secure setting. This item was tabled until further discussion with Commissioner Lonneman.
- 2021-22 Truck Bids.

M/S Feikema/Ufkin to accept the bids for ¾-ton and 1-ton service trucks with Lockwood Motors. Yea (9), Nay (0), Absent (1-Lonneman). Motion carried.

- The October 25th Board meeting will be held at the LPRW Office. Time to be determined.

Public Comment: Lyon Co. Commissioner Rick Anderson informed the Commission about county-level ARPA funding.

Adjournment: *M/S DeWilde/Feikema to adjourn the board meeting at 8:20 PM. Yea (9), Nay (0), Absent (1-Lonneman). Motion carried.*

Respectfully Submitted,

Randy Kraus, LPRW Board Secretary