

LINCOLN PIPESTONE RURAL WATER SYSTEM

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Meeting Minutes October 26, 2015

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 October 26, 2015, starting at 6:00 p.m. Chairman Frank Engels called the meeting to order with Commissioners Earl DeWilde, Mitch Kling, Ken Buysse, Jerry Lonneman, Randy Kraus, Bill Ufkin, Brent Feikema, Rod Spronk, Jan Moen, and Joe Weber present. Also present were Board Attorney Ron Schramel, DGR Engineer Darin Schriever, Interim-CEO Jason Overby, Field Superintendents Tom Muller and Shawn Nelson, Enterprise Technician Jodi Greer, Financial Clerk Karen Petersen and Billing Clerk Connie Bressler.

Agenda: M/S/P – U Buysse/Spronk to approve the agenda.

Minutes: M/S/P - U Spronk/Lonneman to accept the September Board Minutes as presented.

Treasurer's Report: The Interim CEO presented the Treasurer's report. Peterson commented on CD investments that are coming due, as well as upcoming bond payments due. M/S/P-U Moen/Kraus to accept the Treasurer's Report.

Pending Bills: M/S/P – U Ufkin/Lonneman to approve paying the bills.

- DeWild, Grant, Reckert and Associates Company:
 - General Services Invoice #168 = \$ 6,818.95
 - New Water Development Invoice #87= \$ 909.00
 - 2014-2015 Improvements Project Invoice #5 = \$ 5,548.40
- Schramel Law Office:
 - General Legal Services = \$ 3,875.60
 - 2015 Expansion Project = \$1,328.00
- Crop Damage Payment – Lee Cleveland = \$ 2,512.15
- Lewis & Clark – Lobby Fees (2016) = \$ 5,858.00
- Marco IT:
 - Service Agreement = \$ 9,618.75
 - Server & 8 Desktop PC's = \$24,290.79
- CDWG: Toughbook Laptops (9) = \$ 11,536.02

Attorney's Report: Schramel provided update regarding Mark Johnson. Board considered the proposed Separation Agreement and Release of all Claims between LPRW and Mark Johnson and after discussion was had on this matter a motion was made by Ufkin, which received a second from Lonneman to approve the Agreement as presented to Mark Johnson for his consideration. The Motion passed unanimously.

Engineer's Report: Schriever presented:

- **Blue Grass Proteins:** Nothing to report.

- **Lewis & Clark RWS**: Nothing to report
- **RRRWS**: - Linstrom 30-day pump test complete.
 - Pre-application to RD has been submitted for the Lakes area project.
 - The Jackson-Martin Phase 1 – Carstensen (C&K), about 125 services, has begun.
 - Phase 2 – Heron Lake, Alpha, and Dunnell; plus more rural users.
 - AMR – using Badger end-points; doing about 200 meters per year; funding themselves.
- **Service Area Boundary**: Maps and tables were presented describing estimated water demands in various areas based on two different boundary line locations. Board request Schriever to present boundary analysis to Red Rock RWS for consideration.
- **Rock Co RWS**: Rock Co RWS has planned installation of a 6” mainline north from Magnolia approximately three miles to address low pressure issues on two of their lines. Portions of this project may run parallel with LPRW’s proposed Magnolia-Edgerton mainline. Board requested staff to communicate with Rock Co RWS staff for possible joint efforts along this pipeline area.
- **Comprehensive Tank Maintenance Plan**: Schriever presented cost/timeline analysis of current tank maintenance plan in comparison to the recent proposal from Utility Services Group (USG). Board concluded to continue to set aside appropriate funds required for planned tank maintenance and choosing the open-bid approach. Further pursuit with the proposed USG program is to be discontinued at this time.
- **CIP Program**:
 - *Priority #1: 2014-2015 Improvement Projects - Approval was granted by RD for sole-sourcing of Badger Meters and Quality Control and Integration for SCADA.
 - Project Cost: \$4,539,000 (loan: \$3,108,000; grant: \$1,431,000).
 - Part 1 – Water Source and Control Upgrades (Verdi wells, Verdi and Holland well control upgrades, SCADA upgrades) – Plans and specifications have been submitted to RD and MDH for review. MDH review comments have been received. Still waiting for RD review comments.
 - Part 2- Miscellaneous Distribution System Improvements – Plans and specs have been submitted to RD for review.
 - *Priority #2 – 2016 Improvement Projects - (Magnolia to Edgerton pipeline, rebuild Edgerton Pump Station and GSR, rebuild Verdi Pump Station and GSR, SCADA upgrades)
 - DGR will update PER/ER this fall. Potentially obtain RD funding by January or April 2016. Expect 2.125% interest rate.
 - MN Public Finance Authority (PFA) – Waiting PSIG announcement.
 - Prelim fieldwork for Magnolia-Edgerton pipeline project is complete.
 - DGR has begun prelim plans for new Edgerton PS/GSR.

- **City of Pipestone:** Exchange of water quality information has occurred between the two entities.
- **City of Edgerton:** Board requested for additional information from the City of Edgerton as to what quantities and availabilities are desired to meet their needs.

Regional Water Development Report:

- **Bluegrass Dairies:** No report.
- **Lewis and Clark:** Lonneman reported that an issue has come up pertaining to the location of the Magnolia Meter House in regards to its proximity to a nearby school. This issue may cause delays to receiving L&C water at Magnolia and Adrian locations.
- **Osceola:** Doug Westerman, General Manager, OCWRS, informed LPRW that their board will be taking up the matter of bulk rates; and of the likelihood that bulk rates will be going up next year, possibly not in effect until mid-summer.
- **City of Sibley, IA:** Lonneman discussed City of Sibley looking to possibly sell L&C water to Osceola. Requested that Overby communicate with Glen Anderson for additional information.

Field Superintendents'/ Operations Manager's/ and Enterprise Technician's Reports:

- **Tom Muller:**
 - We are currently installing remaining services ourselves.
 - Described the demo of an excavator sand bucket from RDO. Requested to the Board the purchase of this bucket for \$7,000.00. M/S/P – U Kling/Feikema to proceed with purchase of sand bucket.
 - Worthington red/yellow water issues on West side hookup. Worthington has stopped taking water from west side until LPRW incorporates phosphates.
- **Shawn Nelson:**
 - Contacted Dawn V. (City of Ghent Admin) about Ghent meter building. Dawn was fine with the installation occurring next spring/summer.
- **Jodi Greer:**
 - Contacted Lismore Coop wireless – limited service area.
 - Checking with Verizon Wireless regarding government rates.
 - Toughbook laptops have arrived.
 - Discussed purchasing annual service for Microsoft Office 365 for staff. M/S/P-U Kling/Moen to purchase MS Office 365.
 - Set dates for Board and staff Christmas parties.

Interim-CEO Report:

- **Community of Verdi:** Jeff Clipper has informed LPRW that they have secured someone to take over their sampling/reporting procedures with MDH.
- **City of Lake Benton:** Agreement has been signed. Materials have been ordered.
- Discussion on annual water sampling and current aquifer levels. North Holland continues to show upward trend in Nitrate levels.

- **LCCMR Grant Proposal:** LRPW received notification that the grant proposal has been selected as part of the LCCMR funding recommendations to the MN Legislature. The amount recommended is \$1,500,000.
- Discussed employee Christmas gifts. M/S/P-U Lonneman/DeWilde to offer the same as last year.
- Request to attend Rural Water Leadership Seminar on November 18-19, 2015 in Pierre, SD. M/S/P-U Spronk/Kraus for Interim-CEO to attend seminar.

Committee Reports:

- **Executive Committee:** Nothing to report.
- **Water Resources and Equipment Committee:** Nothing to report.
- **Personnel Committee:**
 - M/S/P-U Ufkin/Weber to authorize Jason Overby, acting as Interim-CEO, to sign checks and have name added to back accounts.
 - Discussed status of manager's checking account. Requested that this account be closed.
 - Compensation for Interim-CEO was discussed and later tabled until next board meeting.
 - Recommendation was made to bring in a motivational speaker to present to Board/Staff in the future.
- **Budget and Finance Committee:** Nothing to report.
- **Joint Powers Board Representative:** Nothing to report.

Other Business:

- **Budget:** This matter was deferred until next month.

Public Comment: None

Adjournment: M/S/P-U Kling/Feikema to adjourn at 9:47 p.m. The next meeting will be held Monday, November 30, 2105 at 10:00 a.m. at the main office in Lake Benton.

_____, Janice Moen, Secretary.