LINCOLN PIPESTONE RURAL WATER SYSTEM

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**Meeting Minutes**

**December 15, 2014**

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 15, 2014 starting at 10:00 a.m. Chairman Frank Engels called the meeting to order with Commissioners Rod Spronk, Joe Weber, Norris Peterson, Earl DeWilde, Mitch Kling, Janice Moen, Brent Feikema, Ken Buysse and Jerry Lonneman and future Board Member Randy Klaus with Bill Ufkin absent. Also present were Board Attorney Ron Schramel, CEO Mark Johnson, Field Superintendents Tom Muller and Shawn Nelson, and Operations Manager Jason Overby. DGR Engineer Darin Schreiver was absent.

**Agenda:** M/S/P-U. Peterson/Buysse to approve the agenda with the proviso that the Election of Officers be moved toward the end of the meeting.

**Minutes:** M/S/P-U Kling/Feikema to approve the Regular Board minute and the read minutes of both the Personnel Committee Meeting of 12/9/2014 and 12/15/2014 as presented.

**Treasurer's Report:** M/S/P-U Moen/Spronk to approve the Treasurer's report. The CEO presented that the revenues are still picking up and related that chemical and electric costs are lower than budgeted. Well Maintenance is still under budget but pending work on Holland well #3 is expected to send this item over budget. Plant maintenance is well under budget.

**Pending Bills:** The CEO presented the bills to be paid. M/S/P-U Buysse/Moen to approve the payment of the bills.

The bills to be paid are as follows:

* DeWild, Grant, Rechert and Associates Company: General Services Invoice #158 = $ 966.00 And New Water Development pope - #77= $ 507.50.
* Schramel General Legal Services =$ 2,539.00.
* Legette, Brashear, & Graham, Inc., Burr Wellfield WHP = $ 1,474.92.
* Dakota Supply Group:

 Supplies Ticket # 8964644 = $ 8,023.23.

 Supplies Ticket # 8943240 = $ 8,101.98.

 Supplies Ticket # 8966367 = $ 13,939.97.

 Supplies Ticket # 8898134 = $ 1,829.89.

 Supplies Ticket # 8880155 = $ 8,888.58.

* Nobles County Highway Department, Invoice # 141117 = $ 2,753.62.

Whereupon Schramel stated that it is time for the employee discipline hearing and the board meeting needs to recess for same. Upon concluding the hearing and reopening the regular board meeting then a motion to close the meeting for a performance evaluation can be entertained. However, if the disciplinary employee objects then the meeting must remain open per Minnesota law. M/S/P-U Moen/DeWilde to recess the meeting for the employee discipline hearing.

**Employee Disciplinary Hearing:** Schramel noted that the disciplined employee had been given the required Tennessen notice but had refused to sign it which employee acknowledged that was Correct. Then the CEO and the Operations Manager laid out the underlying reasons both in writing and verbally for their actions in disciplining the Employee including that the CEO has suspended this employee with pay with a recommendation of the employee's termination of employment with LPRW. Questions were asked and the disciplined employee allowed to ask questions. Then the disciplined employee was allowed to present his response both in writing and verbally to the allocations and was asked questions. Whereupon the presentations and responses and questioning appeared satisfactory and no decisions were made in accordance with law as to the issue at hand the hearing was upon M/S/P-U Kling/Feikema to end the hearing and reopen the regular board meeting.

**Evaluate Performance of LPRW Employee:** The question of closing the meeting for the evaluation was brought up with the note that the disciplined employee could require by law that the meeting remain open. The employee wanted the meeting to remain open. In open session the Board Members made their comments and expressed their opinions as to the charges and responses. Comments ranged from that the employee built the system and has made it run well to have new CEO and have to be respectful of his changes. Weber wondered if there could be common ground to work upon. Kling expressed that the Personnel Committee had looked at this and that where it is now that he does not think we can go back and now must go forward and he is not seeing even in this meeting a positive change by the employee. Moen expressed that the Personnel Committee had asked the employee to be supportive of the CEO. M/S Kling/Feikema to terminate the employment of the disciplined employee with LPRW Failed 4-5-1 upon roll call vote with Buysse, Kling, Feikema, and Moen for; Spronk, DeWilde, Lonneman, Weber and Engels against with Peterson abstaining. Whereupon M/S/P Weber/DeWilde upon roll call vote to place the disciplined employee on probation for 60 days with the management to evaluate and recommend at that time whether the disciplined employee's position with LPRW should be terminated and the matter brought to the full Board for reevaluation with Spronk, Buysse, Peterson, Moen, DeWilde, Lonneman, and Weber for and Kling and Feikema against. Discussion on the motion revolved around asking the disciplined employee if he can do this and if the management will be willing to work with the employee under these conditions. Both affirmed they could. Board members feel there is a place for the disciplined employee. The disciplined employee said that he thought he was fulfilling his duty. Both parties to this matter are charged to make this measure taken work.

**Attorney's Report:** Schramel reported assessments will be presented to Judge Bush on December 17th. He presented his legal research as to waters LPRW takes from out of state. Despite the interstate commerce clause, states can set up priorities as to which use has priority as to the use of that state's waters over other priorities for the benefit and protection of its own citizens. As to Iowa water use priority statutes the first use to be terminated is out of state water use. This would include the water LPRW purchases from Osceola and even an Iowa non domestic use would have precedence over LPRW's domestic uses. The only remedy would to file a suit in Iowa and try to convince the judge to give precedence to LPRW's domestic use over in state non domestic use. Still the volume allocated may be substantially reduced during a water crisis. South Dakota views priorities differently and even by statute allows for water to be transferred out of state and protects that water with the same priority as it does in state waters. Domestic use is the highest use, including utility use. The Board directed the CEO to notify the City of Worthington of these findings.

**Engineer's Report:** Schriever was absent due to inclement weather and his report was read in to the record:

* **Dawson and Madison:** that there is nothing to report.
* **Clarkfield:** Clarkfield's Engineers requested a peak day service of 205,000 gpd, or 145 gym in 24 hours. LPRW should not commit to full service with present facilities as LPRW may not be able to provide the full amount during peak demand times. LPRW could likely meet Clarkfield's daily needs for much of the year, so partial service could be offered at this time with the understanding that the City may need to blend with their own source during peak times. To make a full commit, LPRW will need to make capacity improvements in or to this area.
* **Montevideo:** Nothing new to report.
* **RRRWS:** Potential Joint Project: RRRWS continues with their water exploration efforts.
* **Lewis and Clark:** Nothing new to report.
* **New Users Requests:** DGR continues to provide hydraulic analyses for new user requests.
* **Holland Permit:** DGR worked with PCA on their scoring worksheet for the PPL and PSIG. LPRW ended with a score of 68 which would have ranked around # 42 out of 294 on last year's PPL, and about # 15 out of 31 on last year's PSIG. The cutoff for funding is usually around 45 points.

 Meyer noted that the project cannot be place on the PPL until the statutory language is

 changed. She thinks LPRW is OK or even ahead of the funding cycle schedule.

* **CIP Program:** Nothing to report.
* **RD Funding:** RD continues to review the ER and PER. DGR has provided some additional environmental review work on the SD side of the Verdi project (no issues to date).
* **Chandler Tower:** Nothing new to report.

**Field Superintendent's/ Operations Manager's/ and Enterprise Technician's Reports:**

* **Tom Muller:** LPRW is done with services in the south.
* **Shawn Nelson:** There are three services winding up and 168 meters have been exchanged.
* **Jason Overby:** He is researching for better methods of inventory control.
* **Jodi Greer:** Greer had stepped out so the CEO reported on her behalf that the contract with Paymentus is currently under review with the Schramel.

**CEO's Report:**

* **Well Rehab:**  Stuefen, Rasmussen, Overby and the CEO had visited Brookings Municipal Utilities well rehab program being conducted by Utility Services. Utility Services uses CO2 to backflush the wells and the pumps water to create an agitation action after the CO2 has reacted with the underground elements. We'll rehab results look very promising as two wells have had significant results and top standard jetting BMU has used in the past. There are long term arrangements in the contract with high buy out but there are specific performance guarantees with the contract. Under contract there is annual maintenance. The CEO wants to research this further for an alternative of relocating well #2 at Holland and taking the chance of increasing nitrate levels per the relocation. There would be reduced cost via this type rehab versus relocation. The Board was of the consensus of looking at this type rehab as an option over relocation.
* **RIM Legislation:** The RIM legislative suggested changes have been forwarded to Ruth Hubbard at the MRWA for their assistance to try to get the statute modified so LPRW could directly receive RIM payments.
* **Walk-In Program Renewal:** The walk-in program offers incentives for multi-year/ large acreage, etc. sign-up. The consensus is that LPRW should maximize the incentives revenues under this program.

**Committee Reports:**

* **Executive Committee:** The Executive Committee and the Water Resources and Equipment Committee need to meet jointly to review the Extra Capacity Charge Study being handled by the CEO. The meeting is set for January 14, 2015 at 10:00 a.m.
* **Personnel Committee:- December 9 & 15, 2014 Meetings Recommendations:** There current family leave portion of the sick leave policy is unclear as written as to the number of hours for 8hour-day versus 10 hour-day employees and is limited. M/S/P-U Kling/Spronk to change wording from 6 days to 72 hours.

 Further, the CEO reported that employees on workers compensation when returning to

 full work were losing vacation and sick leave and personal time accrual while on workers compensation. Holidays are not affected as the workers compensation employee still gets to enjoy those days. M/S/P-U Feikema/Moen to adopt the suggested wording of the CEO so that workers compensation employees are accrued to the benefits for length of service benefits when they return to work full time except as to holidays.

* **Water Resources Committee:** Most matters had been addressed previously. Weber, Kraus and the CEO are to stay in touch with Hess about the RIM program and land swap.
* **Budget and Finance Committee:** Nothing to report.
* **Joint Powers Board Representative:**

**Other Business:**

* **Set 2015 Board Meeting Schedule:** M/S/P-U Spronk/Lonneman to set the Board meeting scheduled as presented by the CEO.
* **Set 2015 Holidays:** M/S/P-U DeWilde/Buysse to set the LPRW holiday schedule as presented by the CEO.
* **Mower Bids:** The CEO presented three bids for mowing for the next one to three years. The Total Lawn Care bid was not unitized and required payments that calculated to 20 mowings per year which may or not happen. The Blom bid, from the current mower, was higher than the Prosch bid due to adding sales tax at the end of his total for unit items. Prosch did not incorporate sales tax and Schramel stated that per bid laws that it must be considered inclusive in the bid amount. Prosch has previously done mowing work for LPRW which was satisfactory. Accordingly, M/S/P-U Lonneman/Spronk to accept the Prosch bid for three years.
* **Terry Bovee Well Head Protection Scope II Contract:** The CEO presented the contract prepared by Bovee and the amount is greater than previously report moving from about $8,500 to $12,500 a not to exceed price for the work outlined. This includes GIS work and his price is much lower than other professionals would give and he recently retire from the Department of Health and from having over site of this type work. Thus his price and knowledge are invaluable to this type work require of LPRW in its Wellhead Protection Program. M/S/P-U Weber/Spronk to accept the contract with Bovee.

**Elections of 2015 Officers:** Schramel took over the meeting as to the election of Offiicers. He opened it up to nominations for Chairman and the only nomination was for Engels whereupon nominations ceased. Upon unanimous voice vote Engels was elected. Next Schramel opened it up to nominations for Vice Chairman and the only nomination was for Weber whereupon nominations ceased. Upon unanimous voice vote Weber was elected. Next Schramel opened it up for nominations for Treasurer and the only nomination was for Spronk whereupon nominations ceased. Upon unanimous voice vote Spronk was elected. Next Schramel opened it up for nominations for Secretary and the only nomination was for Moen whereupon nominations ceased. Upon unanimous voice vote Moen was elected. Schramel then closed the elections.

**Public Comment:** None

**Adjournment:** M/S/P-U Feikema/Spronk to adjourn at 2:40 p.m. The next meeting will be held Monday, January 26, 2105 at 10:00 a.m. at the main office in Lake Benton. Spronk stated he will not be at the next meeting.

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