

# **Lincoln Pipestone Rural Water**

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## **Meeting Minutes**

**February 27th, 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, February 27th, 2017, starting at 10:06am. Chairman Joe Weber called the meeting to order with Commissioners Randy Kraus, Janice Moen, Brent Feikema, Rod Spronk via FaceTime, Bill Ufkin, Jerry Lonneman, Mitch Kling and Frank Engels present. Also present were Board Attorney Ron Schramel, DGR Engineer Darin Schriever, Financial Advisor Nathan Kinner, Field Superintendent Shawn Nelson, Enterprise Technician Jodi Greer, and General Manager Jason Overby. Commissioners Ken Buysse and Earl DeWilde were absent.

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

**Minutes: *M/S Ufkin/Feikema to approve minutes from the January 2017 Board Meeting.***

**Operations Report: February Operations Report was presented.**

Question was asked about commercial hookups in the North part of system. Nelson reported another recent hog barn inquiry; with approximately 3 or 4 additional livestock facilities currently wanting water. Most requests are for 2400-head hog barns equating to 3 capacity units. However, there have been 4800-head barns (5-6 capacity units) requests. A recommendation was made to see what develops with Dawson before agreeing to continue commercial hookups in the North.

**Manager's Report: February Manager's Report was presented. Additional items were highlighted:**

- BDRWS has offered to provide LPRW with 35 MGY on a guaranteed basis. LPRW would be required to purchase the 35 MGY whether or not it is fully used.

***M/S Lonneman/Engels to authorize management to move forward with proposed offer of 35 MGY guaranteed from BDRWS. Motion carried.***

- Dawson Water Source: City willing to provide up to 50 MGY, with no connection fee and no minimum/maximum flow requirements. The rate has been set at \$2.10 per 1,000 gallons. Board consensus is to move forward with Dawson and the \$2.10/1000 gallons water rate offer. Engineer noted that approximately five miles of pipeline and a booster station would be required to connect; possibly available as early as spring 2018.

- City of Clarkfield has reviewed their PER and determined to reconsider LPRW as an option for a water source. City has requested a peak capacity demand of 200,000 gallons per day. Water Resource Committee meeting will be scheduled after the MRWA Conference to discuss Clarkfield's request.
- MMU: Brad Roos, MMU General Manager, has requested to meet with LPRW to discuss 2017 appropriation and a new water purchase agreement going forward. An April meeting will be scheduled.
- City of Canby: Operations staff will visit with City Water Works staff to determine any interest in buying/selling water from/to LPRW.
- Red Rock RWS: GM met with Dominic Jones to discuss 1) pipeline and users between interconnection and 2) water supply agreement between the two systems. Jones desires a 3-year agreement for up to 50 gpm; emphasizing RRRW will not hook up any new customers along the interconnect-Balaton mainline, while LPRW is not to hook up any customers prior to interconnect that may cause pressure/flow/volume issues on his side of delivery point. Discussion on continuing with a water supply agreement with RRRW. Engineer stated that LPRW may not be able to guarantee gpd.

***M/S Ufkin/Kling to not enter into a contract with Red Rock Rural Water 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 RRRW as available. Motion carried.***

- Verdi-MN 2.59-acre Woodlot. Charles Oppelt requested to purchase (woodlot) parcel located in SW ¼ of Section 30, T109N – R46W (Verdi TWP), Lincoln County, Minnesota.

***M/S Engels/Kraus to offer the sale of the 2.59-ac tract located in SW ¼ of Section 30, T109N-R46W (Verdi TWP), Lincoln County, MN to Charles Oppelt for LPRW's original purchase price (2016), plus all costs associated with the original sale transaction; and that bill of sale states that parcel stays in conservation practice. Motion carried.***

**Engineer's Report:** Schriever presented Engineering Report.

- **CIP Program**
  - **Priority 1 (Source Controls/Programming):** No action items.
  - **Priority 2 (Magnolia ML):** No action items.
  - **Priority 2 (Edgerton PS):** Recommendation to approve Change Order #1 and PPE #7.

***M/S Kling/Moen to approve KHC's Change Order No. 1 for Priority 1 in the amount of \$4,350.00. Motion carried.***

*M/S Feikema/Kling to approve payment to KHC for PPE #7 in the amount of \$110,397.08. Motion carried.*

- **Hydraulic Model Update**

- Current hydraulic model based on 2012 data. Recommendation to update LPRW's hydraulic model. Costs associated with update expected to be \$3,500-\$4,500.

*M/S Lonneman/Moen to authorize DGR to update LPRW's hydraulic model. Motion carried.*

**Treasurer's Report:** Kinner presented Treasurer's Report.

*M/S Feikema/Lonneman to accept the Treasurer's Report, as presented. Motion carried.*

Pending Bills:

- DeWild Grant Reckert and Associates Company:
  - General Services Invoice #184 = \$1,584.00
  - 2014-2015 Improvements Project – Priority 1, PPE #21 = \$3,150.20
  - 2016 Improvements Project – Priority 2, PPE #9 = \$17,797.20
  - Tank Maintenance Plan – Project # 841301.00 = \$472.00
  - Tank Maintenance Plan – Project #841364.00 = \$59.00
- Schramel Law Office:
  - General Services = \$2,333.28

*M/S Engels/Moen to approve paying all pending bills. Motion carried.*

**Attorney's Report:**

Contract development continues for CRP and tillable acres within newly acquired land at Verdi wellfield.

Progress continues on draft letter to customers describing individual capacity limits. Final draft anticipated by next board meeting.

**Committee Reports:**

- **Executive Committee:** Nothing to report.

- **Personnel Committee:** Review of prior meetings (1/11/17 and 2/16/17). Discussion on providing payment in-lieu for opting out of LPRW's health insurance plan. Committee reiterated that insurance is viewed as a benefit. Recommendation to not change health insurance coverage for employees.

*M/S Kling/Feikema to approve the minutes from the 1/11/17 Personnel Committee meeting, and the 2.16.17 Personnel Committee meeting. Motion carried.*

- **Budget and Finance Committee:** Nothing to report.
- **Water Resources and Equipment Committee:** Nothing to report.

### **Other Business:**

- USDA-RUS Grant Agreement for (Priority 2):

*M/S Lonneman/Engels to approve the USDA-RUS Grant Agreement for Priority 2 Capital Improvement Projects. Motion carried.*

- Capella Solar Gardens, LLC Consent & Crossing Agreement:

*M/S Kraus/Kling to approve the Consent & Crossing Agreement with Capella Community Solar Gardens, LLC. Motion carried.*

- Red Pine Wind Project – Consent to Lease and Easement Agreement:

*M/S Ufkin/Feikema to approve the Consent to Lease and Easement Agreement for the Red Pine Wind Project. Motion carried.*

- Resolution concerning Tort Liability:

*M/S Engels/Lonneman to adopt the Resolution Concerning Tort Liability. Motion carried.*

- Resolution extending Workers' Compensation Coverage to Elected Officials:

*M/S Kling/Lonneman to adopt the LMC Resolution Extending Workers Compensation Coverage to the LPRW Board of Commissioners. Motion carried.*

- Resolution Appointing Insurance Agent for LMCIT:

*M/S Feikema/Kling to adopt the Resolution Appointing Kozlowski Insurance Agency & Financial Services, Inc. as its Insurance Agent for LMCIT. Motion carried.*

- Proxy Statement for Minnesota Governmental Agency Finance Group:

*M/S Ufkin/Lonneman to appoint Janice Moen to serve as LPRW's representative at the Annual Meeting of the Minnesota Governmental Agency Finance Group. Motion carried.*

- Maxine Nichols Trust Property: Kelly Nichols provided an offer to sell land (approximately 129.36 acres) held by the Maxine Nichols Living Trust located in

N ½ of Section 25, T109N-R47W (Verdi TWP). This parcel is currently targeted as candidate for LPRW's LCCMR Land Acquisition Grant.

- Connie Bressler, LPRW's Billing Clerk, announced her plans for retirement. Connie has been with the organization serving in this capacity for 25 years! She will meet with management to develop transition strategy for her position.
- Participation in Minnesota Board of Water & Soil Resources One Watershed – One Plan.

*M/S Moen/Lonneman to appoint the General Manager as representative of Minnesota Board of Water & Soil Resources (BWSR) One Watershed – One Plan Program. Motion carried.*

**Public Comment:** No public comments.

**Adjournment:** *M/S Engels/Feikema to adjourn board meeting at 2:25 pm. Motion carried.*

Respectfully Submitted,

Janice Moen, LPRW Board Secretary