

Lincoln Pipestone Rural Water

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Meeting Minutes

June 26th, 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, June 26th, 2017, starting at 5:12 p.m. Chairman Joe Weber called the meeting to order with Commissioners Randy Kraus, Jerry Lonneman, Brent Feikema, Rod Spronk, Janice Moen, Bill Ufkin, Mitch Kling, Earl DeWilde, Ken Buysse and Frank Engels present. Also present were Board Attorney Ron Schramel, DGR Engineer Darin Schriever, Financial Advisor Nathan Kinner, Field Superintendents Shawn Nelson and Tom Muller, Enterprise Technician Jodi Greer, and General Manager Jason Overby.

Agenda: *M/S Ufkin/Buysse to approve the agenda. Motion carried.*

Minutes: *M/S Feikema/Kraus to approve minutes from the May 2017 Board Meeting. Motion carried.*

Engineer's Report: Schriever presented Engineering Report.

- CIP Program:
 - Priority #1: All construction is complete.
 - Priority #2: Magnolia Pipeline
M/S Lonneman/Moen to approve payment for Winter Bros. for PPE #5 in the amount of \$184,760.94. Motion carried.
 - Priority #2: Edgerton Pump Station
M/S Feikema/Buysse to approve payment for KHC Constr. For PPE #11 in the amount of \$104,311.72. Motion carried.
- Holland WTP

M/S Kraus/Engels to proceed with advertising for bids for the pressure filter rehabilitation work at the Holland Water Treatment Plant. Motion carried.
- Hendricks Tower and Ivanhoe Tower Recoating Project

M/S Spronk/Lonneman to approve K&W Coatings, LLC for CO #1 (Final) in the amount of -\$2,400 (deduction). Motion carried.

M/S Ufkin/Engels to approve payment for K&W Coatings, LLC for PPE #2 (Final) in the amount of \$139,125.00. Motion carried.

- **Cities:**

- City of Ghent will begin work on new connection location after July 4th, 2017.
- City of Edgerton has acted to connect to LPRW during their June 7th City Council Meeting. City will purchase 118,000 gallons per day peak capacity, with the connection point located at current wellfield. City has requested from LPRW to build booster/meter building themselves as a cost saving measure.

M/S Ufkin/Kling to allow the City of Edgerton the authority to build booster/meter building at their discretion; but to have a final decision on its construction design and funding source by LPRW's August board meeting so that LPRW can solidify all terms of the Water Purchase Agreement. Motion carried.

- City of Avoca: Schriever presented the cost estimates for Avoca. The board directed the GM to send LPRW's proposed preliminary cost estimates to Avoca.

- Dawson Connection

M/S Ufkin/Engels to advertising for bids for the pipeline connection with City of Dawson. Motion carried.

Operations Report: June Operations Report was presented. Additional items discussed:

Red Pine Wind Project: Nelson was presented with request for temporary water service (hookup) from GCC Ready Mix. The offer includes full payment of \$5,000, plus all costs associated with installation/removal of service, and monthly water usage rate of \$5.00 per 1,000 gallons used.

M/S DeWilde/Kling to accept offer for temporary water service under the terms GCC Ready Mix presented. Motion carried.

Manager's Report: June Manager's Report was presented. Items of further discussion included: State bonding bills' effects on PSIG funding; MMU letter; and Halbersma Land Purchase Offer rejection letter.

Attorney's Report: June Attorney's Report was presented. Items of further discussion included: Lyon County Commissioners non-approval of renewal of three (3) LPRW Commissioner terms. The board has directed Schramel to attend the Lyon County Commissioner meeting with the GM in August.

Treasurer's Report: Kinner presented Treasurer's Report for June, 2017. Kinner also discussed the conversion of accounting software platform from Redwing to QuickBooks.

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

Pending Bills:

- DeWild Grant Reckert and Associates Company:
 - General Services Invoice #188 = \$6,864.00
 - 2014-2015 Improvements Project – Priority 1, PPE #25 = \$3,432.20
 - 2016 Improvements Project – Priority 2, PPE #14 = \$15,385.82
 - Dawson Water Source – Project # 800920.00, PPE#2 = \$10,080.00
 - Comprehensive Tank Maintenance Plan:
 - CTMP Work Plan, Project # 841301.00 = \$59.00
 - H/I Recoat Project # 841364.00 = \$8,079.75
- Schramel Law Office:
 - General Services = \$7,088.81
- Kinner & Company Ltd:
 - April & May Invoices = \$4,590.00
- Lincoln County Bond = \$6,050.00
- Yellow Medicine County Bond = \$89,058.76

M/S Engels/Buysse to approve paying the listed pending bills. Motion carried.

Financial Report:

Kinner discussed investment options for reserve funds; and reserve levels for restricted funds stemming from communication with Mary Francis Skala (Bond Counsel).

Kinner will meet with the Budget-Finance Committee to discuss CD rates. The Committee will meet July 13th, 2017 at 9am. The GM will notify committee members via email.

M/S Buysee/Kraus to adopt resolution authorizing membership in the 4M Fund. Motion carried.

Kinner discussed RFP's for Annual Audit Services, and the generated list of possible firms/individuals.

Committee Reports:

- **Executive Committee:** Nothing to report.
- **Personnel Committee:** Moen presented Connie Bressler's Thank You card.
- **Budget and Finance Committee:** Nothing to report.
- **Water Resources and Equipment Committee:** Nothing to report.

- **JPB:** Lonneman stated that Dan Zulkosky (L&CRWS Construction Administrator) will be leaving L&CRWS to take a position with City of Tea, SD.

Other Business:

- 2017 CRP Bid Opening:
M/S Feikema/Kraus to accept high bid offers from Brian Fruechte for CRP Lease contracts on two tracts (31.1 ac and 29.6 ac) located in NW ¼ of Section 31, T109N-R46W (Verdi TWP), Lincoln County, MN. Motion carried.
- Office Hours:
GM presented information on other rural water district office hours; and phone/visit logs from month of April. GM requested reducing office hours based on findings. Board directed the GM to change office hours accordingly. **The new office hours will be from 7am to 4:30pm, Monday – Friday, starting July 3, 2017.**
- Commissioner District Map:
GM presented revised commissioners' district map and table showing number/percent representation.
M/S DeWilde/Engels to accept the 2017 LPRW Commissioner District Map, as presented. Motion carried.
- Capacity Study:
 - GM provided update on Capacity Notification Letters to be mailed to LPRW accounts.
 - Clayton Schilling questions relating to capacity charges and multiple sites, were presented to the board and discussed.
 - Formula for addressing those accounts (services) installed prior to May 2006 that are utilizing more than 50,000 gallons per month.
M/S Engels/DeWilde to approve the following formula to address baseline capacities for Pre-2006 accounts: take the 2-year (2015-2016) average plus 15%, then round up to nearest 50,000 capacity level, to establish a baseline capacity level for pre-2006 accounts that have not purchased capacity unit(s). 9 in favor, 2 opposed (Lonneman and Spronk). Motion carried.

Public Comment: No public comments.

Adjournment: *M/S Lonneman/Feikema to adjourn the meeting at 9:10pm. Motion carried.*

Respectfully Submitted,

Janice Moen, LPRW Board Secretary