

Lincoln Pipestone Rural Water

415 E Benton St., P.O. Box 188, Lake Benton, MN 56149

507-368-4248 or 800-462-0309

fax: 507-368-4573 email: lprw@itctel.com

Meeting Minutes

October 31, 2016

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 31, 2016, starting at 6:00pm. Chairman Joe Weber called the meeting to order with Commissioners Ken Buysse, Randy Kraus, Brent Feikema, Rod Spronk, Bill Ufkin, Jan Moen, Jerry Lonneman, Earl DeWilde, Frank Engels and Mitch Kling present. Also present were Board Attorney Ron Schramel, DGR Engineer Darin Schriever, Financial Advisor Nathan Kinner, Field Superintendents Tom Muller and Shawn Nelson, Enterprise Technician Jodi Greer, and General Manager Jason Overby.

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

Minutes: *M/S Ufkin/Feikema to approve minutes from the September 2016 Board Meeting. Motion carried.*

Engineer's Report: Schriever presented Engineering Report.

- **CIP Program**

- Priority #1:**

- Part 1 – Water Source & Controls (Ellingson): Schriever recommended approving PPE #6.

M/S Moen/Engels to approve payment for Ellingson Companies PPE #6 for Priority 1 – Part 1, for the amount of \$98,531.51. Motion carried.

- Part 2 – Distribution Improvements (Hulstein): Contract has been completed.

- Priority #2:**

- Magnolia ML (Winter Bros.): Schriever recommended approving CO #1 for routing changes and ditchwork/seeding adjustments; adding \$21,681 to project. Schriever recommended approving PPE #1.

M/S Feikema/DeWilde to approve Winter Bros. CO #1. Motion carried.

M/S Buysse/Engels to approve payment for Winter Bros. PPE #1 for the amount of \$1,275,225.62. Motion carried.

- Board directed General Manager to inquire to Becky Sabie (MN PFA) about additional PSIG funding opportunities in next state bonding bill.

- Edgerton PS/R (KHC Construction): Schriever recommended approving PPE #3.

M/S Ufkin/Kraus to approve payment for KHC Const. PPE #3 for the amount of \$498,572.80. Motion carried.

- SCADA Project: Schriever described the RFQ and competitive bid process.
- **Comprehensive Tank Maintenance Plan:** Engineering updated costs for budgeting.
- **Blue Grass Proteins:** General Manager recapped his phone conversation with Dave Cornelius (BGP Plant Manager). Indication was no interest in joint effort at this time; however, Dave will bring it to their board and get back to us. Engels requested GM to make a follow up call with BGP.
- **City of Wood Lake:** Preliminary cost estimate for service connection was provided. Concerns expressed over ability to serve Wood Lake; and moratorium on non-residential hookups in the Burr service area.

M/S Ufkin/Spronk to provide preliminary cost estimate for service connection to City of Wood Lake with the contingency that LPRW secures another water source in north portion of system. Motion carried.

Operations Report: October Operations Report was presented. Additional discussion included the following:

- New Fashion Pork – requested cost estimates for 11 barns in the south part of the system.

Manager's Report: October Manager's Report was presented. Additional discussion included the following:

- ArcGIS On-line – brief recap of DGR presentation. Ufkin expressed concerns on security issues with internet-based system.

Attorney's Report: No report presented.

Treasurer's Report: Kinner presented Treasurer's Report. Kinner reviewed Assessment Income vs. Bond Payment analysis; as well as preliminary budget. Requested to meet with Budget & Finance Committee prior to November board meeting to finalize 2017 budget.

Pending Bills:

- DeWild Grant Reckert and Associates Company:
 - General Services Invoice #180 = \$2,543.00
 - 2014-2015 Improvements Project – Priority 1, PPE #17 = \$5,106.30
 - 2016 Improvements Project – Priority 2, PPE #6 = \$41,075.79
 - Hendricks/Ivanhoe Tank Painting - \$2,599.60
- Schramel Law Office:
 - General Services = \$2,918.00
 - 2015 Improvements Project – Priority 2 = \$2,288.00

M/S Kling/Kraus to approve Treasurer's Report, as presented. Motion carried

M/S Lonneman/Engels to approve payment for pending bills. Motion carried.

Committee Reports:

- **Executive Committee:** Nothing to report.
- **Personnel Committee:** Nothing to report.
- **Budget and Finance Committee:** Discussed conference call with Mary Frances Skala (Bond Counsel) and Schramel regarding financing of Pritchett land. Ufkin suggested in future establishing a minimum dollar amount applied to restricted funds for bond payments; with excess restricted monies to be allocated via board resolution.

M/S Lonneman/Kling to use unrestricted funds to pay for the acquisition of both the Pritchett and Pritchett-Stueven properties. Motion carried.

- **Water Resources and Equipment Committee:** Nothing to report.
- **Joint Powers Board Representative:** Nothing to report.

Other Business:

- PSIG Funding:

M/S Ufkin/DeWilde to authorize the General Manager to borrow from existing restricted funds to cover expenses assigned to PSIG funding reimbursement for Priority 2 Project; for the possibility of preserving future PSIG Grant funding opportunities. Motion carried.

- City of Seaforth.

M/S Moen/Feikema to approve new Water Purchase Agreement with City of Seaforth. Motion carried.

- Tower Site Lease Agreement – Lismore Cooperative Telephone Company

M/S Engels/Spronk to approve Tower Site Lease Agreement with Lismore Cooperative Telephone Co. Motion carried.

- Global Winds Harvest, Inc. Setback Waiver and Non-Exclusive Wind Easement Agreement and Memorandum

M/S Engels/DeWilde to approve setback waiver and wind easement agreement with Global Winds Harvest, Inc. Motion carried.

- Wellfield Optimization Proposals: Proposals from Terracon and Leggette, Brashears & Graham, Inc were submitted. Both proposals have been put on hold due to necessary SCADA programming for data exportation.
- Interest rates applied to assessments.

M/S Kling/Buysse to leave the interest rates for assessments at 5.9% for 2017. Motion carried.

- Board Meeting Times: Tabled to next month.

Public Comment: No public comments.

Adjournment: *M/S Feikema/Engels to adjourn board meeting at 9:05 pm.*

Respectfully Submitted,

Janice Moen, LPRW Board Secretary