

Lincoln Pipestone Rural Water

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Meeting Minutes

December 21, 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 December 21, 2015, starting at 10:00 AM. Chairman Frank Engels called the meeting to order with Commissioners Earl DeWilde, Mitch Kling, Ken Buysse, Randy Kraus, Brent Feikema, Ron Spronk, Jan Moen, and Joe Weber present. Also present were Board Attorney Ron Schramel, DGR Engineer Darin Schreiber, Interim-CEO Jason Overby, Field Superintendents Tom Muller and Shawn Nelson, and Enterprise Technician Jodi Greer.

Agenda: *M/S/P – U Buysee/Feikema to approve the agenda with the addition of Election of Officers.*

Minutes: (includes November Board Meeting Minutes, Special Meeting Minutes and Budget and Finance Committee Minutes) *M/S/P – U Feikema/Buysse to accept the November Board Minutes, 12/10/15 & 12/16/15 Special Meeting Minutes and Budget & Finance Committee Minutes, as presented.*

Pending Bills: *M/S/P – U Moen/DeWilde to approve paying listed bills.*

- **DeWild Grant Reckert and Associates Company:**
 - General Services Invoice #170 = \$14,661.00
 - New Water Source Development – ppw #88 = \$3,203.50
 - 2014-2015 Improvements Project – ppe #6 = \$24,967.80
- **Schramel Law Office:**
 - General Services = \$6,344.00
 - 2015 Expansion Project = \$1,040.00

House Bid: (located at 505 Lakeview St., Lake Benton, MN 56149)

- One sealed bid submitted by deadline. Garrett Petersen was present for the opening of his bid on the house. *M/S/P – U Spronk/Kling to accept Garrett Petersen's bid of \$125,500.00.*

Engineer's Report:

- **CIP Program** – Powerpoint presentation on Edgerton PS/R design layout. Question raised as to the need of a connection between existing lines to new PS while Magnolia line is under construction. Schreiver will update CIP table and place on Dropbox.
 - **Priority #1:** Waiting on RD. Hopefully bid by Jan-Feb, 2016.
 - **Priority #2:** Edgerton Pump Station building layout presented. Priority #2 needs to be bid out by June per PSIG grant. Timelines regarding the bid process, RD funding and bonding numbers to Pipestone Co. also need to be worked out. Engels added that L&C had problems in the bidding process of the Luverne-Magnolia segment – will likely have to be rebid, or segregate the service line portion to be rebid. Banner is going over design specs to see if costs can be lowered.
- **RRRW** – Linstrom water source update showing high levels of arsenic in pump test. Additional pump test (30-day) is needed. RRRW is seeking an interconnect with LRPW in western Jackson Co. with anticipated 60 gpm flow. A capacity charge to RRRW might be considered. A meeting with RRRW will be scheduled in January.

Field Superintendents'/Enterprise Technician's Reports:

- **Tom Muller:** Three last minute services will go on next year's assessments. Working on inventory and easements for Magnolia line. Have not spoken directly to farmers in the area but has deeds pulled for three miles of land north of Magnolia. Building permit has been filed for Edgerton. Crossing permits filed.
- **Shawn Nelson:** Inventory at Minneota Tower site is complete. Discussed service line valves, and what ramifications exist to water users if they damage/tamper with the service line valve riser/signage. Board seeks to adopt a policy that is fair to everyone. Staff needs to discuss and bring options to the Board at the next meeting.
- **Jodi Greer:** Paymentus will go live January 1, 2016. Discussed the availability of a facilitator to meet with Board during MRWA conference, and the option of a single day seminar versus a “multi-phase” approach.

Interim-CEO Report:

- LCCMR Grant work plan/detailed budget was submitted to St. Paul on Dec 18th.

- City of Pipestone thanked us for our efforts in trying to assist them. City may be able to help with our discharge problems in the future; and consider a possible interconnect. Article was presented in the Pipestone Co Star and disseminated to board members.
- Safety Program work plan has been established. Chlorine masks are out of date and we are looking at getting all new masks. Will look into an OSHA matching grant of \$10,000 for safety equipment.
- Wellfield rehab work at Holland is finished; waiting for USG final report on results.
- City of Edgerton: City has not provided usage data at this time. Interim CEO will follow-up with City staff.

Attorney's Report: Schramel provided summary of 2015 assessments. A total of 49 individuals connected in 2015, as compared to 54 in 2014. The \$6,000 up-front payments for new hookups have really helped in covering operational expenditures. He relayed that the assessment hearing at Lyon Co Courthouse went well. Schramel further discussed the conference call made to Mary Francis Skala and her follow-up response letter (Dec 18, 2015) to LPRW regarding restricted funds. LPRW can, and should, pay down debt service utilizing restricted fund accounts. There is no minimum LPRW has to keep in the various restricted accounts; and any short-fall to be taken out of restricted accounts instead of general accounts. Yellow Medicine GO Bond is available for refunding with a possible savings rate of 2.6%. Inquiry is to be made as to leaving payments the same while shortening the overall term length.

M/S/P – U Kling/DeWilde to proceed with pursuing YM Bond refunding and revisit at the January board meeting.

Treasurer's Report: The Interim CEO presented the Treasurer's report.

M/S/P – U Moen/Feikema to approve the Treasurer's report, as presented.

Spronk described current/future bond payments and annual debt service loads. Interim CEO presented methodology for 2015 bond payments from various restricted accounts and pre-paid hookups. Communication had occurred with Tom Wadsworth (RBC) regarding restricted (and non-restricted) account consolidation. It was determined that only the four currently held RUS bonds can be paid at any time.

M/S/P – U Weber/ Kling to transfer MAGIC Fund accounts to RBC.

M/S/P – U Kling/Buysse to consolidate investment accounts except for Nobles County BAB Account.

M/S/P – U Kling/Kraus to utilize money held in restricted funds to pay on remaining balance for bond payments after annual assessment payments have been received. This motion is applicable and effective for December 2015 through November of 2016.

Committee Reports:

- **Executive Committee:** Nothing to report.
- **Water Resources and Equipment Committee:** Weber recapped decision of City of Pipestone, and WHPP Meeting that included the MDA proposed Nitrate Management Plan and plan goals pertaining to groundwater resources. Promoted establishing a meeting with Red Rock sometime the week of January 11th, 2016.
- **Personnel Committee:** Moen reported that the meetings with staff went well this year. Positive attitudes and overall morale seems to have improved. Also briefed everyone on the Christmas parties (Board and Staff parties); and focused intent towards safety equipment and program status.
- **Budget and Finance Committee:**

M/S/P – U Feikema/Weber to approve the 2016 Budget as presented.

M/S/P – U Weber/Buysse for Interim CEO to submit both Summary and long version of budget on Dropbox but to present only the summary report at the board meetings.

A report of all monthly bills will be generated for the January board meeting for the board to review. The board will authorize staff on which bills to pay prior to meetings.

- **Joint Powers Board Representative:** Nothing to report.

Other Business:

- **Chuck Deutz:** Letter reviewed and approved to send.
- **Website:** Personnel Committee will investigate website content and amount of information to publish on website.
- **Board/Committee Minutes:**

M/S/P – U Spronk/Kraus approves Interim CEO to have a staff member take minutes at each Board meeting and any committee meetings the CEO feels necessary.
- **Election of Officers:** Schramel presided over the election of officers for 2016 (one year terms). He opened the election for nominations in the following order: Chair, Vice-Chair, Treasurer and Secretary. Multi-nominations for a particular officer position were determined through secret balloting and results tallied. Nominations and the results of voting follows:

<u>Officer Position:</u>	<u>Nomination(s):</u>	<u>Voting Outcome:</u>
Chair	Joe Weber	Unanimous decision
Vice-Chair	Earl DeWilde	Unanimous decision

Treasurer	Rod Spronk	7-2 in favor Spronk
	Jerry Lonneman	
Secretary	Janice Moen	5-4 in favor Moen
	Mitch Kling	

Committee positions will be appointed in January and presented at next meeting.

Public Comment: None

Adjournment: M/S/P – U Spronk/Weber to adjourn meeting at 4:15 p.m. The next regular Board Meeting will be Monday, January 25, 2016 at 10:00 a.m.

Janice Moen, Secretary