

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

December 19th, 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, December 19, 2016, starting at 9:00am. 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, Mitch Kling and Frank Engels 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 Spronk/Feikema to approve the agenda. Motion carried.*

Minutes: *M/S Kraus/Buysse to approve minutes from the November 2016 Board Meeting.*

Public Discussion - Mark Hiniker – Hiniker inquired about purchasing a few acres of land within our Holland Wellfield; to build a seed building with an office. The desired location would be in the NW corner of Section 7; adjacent to intersection of Hwy 75 and County Rd. 8. Hiniker will likely need a water hookup at this location. He does not have room on home property to build; and would not be looking at doing anything until summer 2017.

Weber recalled using Rural Development grant dollars to purchase that land. GM directed to check into the USDA-RD stipulations; as well as potential conflicts of interest with LPRW's Wellhead Protection Plan.

On-site storage of chemicals and county ordinance setbacks were also discussed. Hiniker will check into the setback requirements.

Weber stated that the board will have a decision for Hiniker at the January Board meeting.

Hiniker left the meeting.

Muller commented that water lines exist in the area which Hiniker was interested in purchasing. Lonneman stated concerns with chemicals on site and its location relative to aquifer and wells. GM stated opposition to this request in relation to wellfield protection efforts on LPRW-owned lands.

Engineer's Report: Schriever presented Engineering Report.

- **CIP Program:**

- **Priority #1:**

- Part 1 – Water Source & Controls (Ellingson): Schriever recommended approving PPE#8.

- M/S Spronk/Lonneman to approve payment to Ellingson Companies PPE #8 for Priority 1 – Part 1, in the amount of \$59,666.07. Motion carried.*

- **Priority #2:**

- Magnolia ML (Winter Brothers Underground): Schriever recommended approving PPE #3.

- M/S Buysse/Moen to approve payment to WBU for PPE #3, in the amount of \$132,762.84. Motion carried.*

- Edgerton PS/R (KHC): Schriever recommended approving PPE #5.

- M/S Lonneman/Feikema to approve payment to KHC Construction for PPE #5, in the amount of \$119,078.70. Motion carried.*

- **Comprehensive Tank Maintenance Plan:** Schriever presented updated CTMP.

- M/S Ufkin/Engels to approve 2017 Comprehensive Tank Maintenance Program. Motion carried.*

Operations Report: November Operations Report was presented. Engels inquired about sample analysis results and neutralization content on Burr lime. Service installations were finished for the 2016 season.

Manager's Report: November Manager's Report was presented. Further discussion included:

- **City of Edgerton** – submitted letter requesting a time extension to the \$7.50/gallon municipal capacity rate for service connection.

- M/S Ufkin/DeWilde to accept City of Edgerton's request for time extension for the \$7.50/gallon municipal capacity rate; extending the deadline to June 30, 2017. Ayes – 9, Nays – 2 (Kling and Weber opposed). Motion carried.*

GM will notify the City of Edgerton.

Lonneman has been contacted by the City of Rushmore regarding a possible connection.

Attorney's Report: Schramel recapped 2016 assessments/costs associated with installations.

Ufkin suggested creating a separate restricted account for prepaid service connections for capital expenses, land purchases, improvements. Weber directed the budget committee, Kinner and the GM to work on that and make recommendations at the January meeting.

Spronk suggested a cap on the amount someone can assess; asking the GM to add this topic to next month's agenda.

Ufkin directed staff to get something sent to all the counties requesting that LPRW be notified when a large livestock facility is being built and their water source. Similar to what Nobles and Rock Counties require.

Assessment hearing is scheduled for December 28th, 2016 at the Lyon County Courthouse – GM and Schramel will attend.

Lonneman reported that a cheese plant is being built in region – possibly resulting in more dairy farms popping up.

Treasurer's Report: Kinner presented Treasurer's Report

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

Pending Bills:

- DeWild Grant Reckert and Associates Company:
 - General Services Invoice #182 = \$1,830.50
 - 2014-2015 Improvements Project – Priority 1, PPE #19 = \$7,332.18
 - 2016 Improvements Project – Priority 2, PPE #7 = \$20,773.71
- Schramel Law Office:
 - General Services = \$6,382.75
 - 2015 Expansion Project – Priority 2 = \$128.00
- Kinner & Company Ltd:
 - General Services = \$19,317.50
- Meulebroeck, Taubert & CO., PLLP:
 - General Services = \$15,081.00

M/S Ufkin/Engels to approve paying outstanding bills, as presented. Motion carried.

Some discussion as to why waiting to approve consultant invoices. This approval method has been this way for some time. Schriever stated that some invoices are tied to project funding. Board agreed to continue the method of approving outstanding bills, as is.

Committee Reports:

- **Executive Committee:** Nothing to report.
- **Personnel Committee:** Reviewed minutes from the November 30th meeting and the December 19th meeting. GM requested to be paid for vacation hours accrued that he has been unable to use.

M/S Feikema/Buysse to approve paying excess vacation for the GM down to the 200 hours maximum accrual, totaling \$6,617.26, as a one-time exception. This will revert back to policy. Motion carried.

Engels thinks this is good for this year but that the GM needs to start using his vacation time. Personnel committee will meet with staff January 11th starting at 9:00 am.

- **Budget and Finance Committee:** Nothing to report.
- **Water Resources and Equipment Committee:** DeWilde reviewed December 1st meeting covering the following:

- **Capacity Policy**

M/S Engels/Ufkin to request legal counsel to prepare a letter to notify all LPRW customers of establishing a capacity baseline utilizing 2015, 2016, and 2017 monthly water usage data. Motion carried.

- **Brinkmeyer Request**

M/S Ufkin/Kling to make it a policy of LPRW to oppose the development of anything in the DWSMA/WHP area that could be a potential or major source of contamination. Motion carried.

Weber suggests inviting him back and provide explanation as to the reasons for opposition.

- **North Water Source – Dawson**

Meeting (12/12/16) with the City of Dawson was discussed. They are very interested in working with us. The water in Dawson is around 40 grains hard. We could use this as a temporary solution until another water source could be found. GM and DGR will talk to their engineers and make sure they can provide the water to us without doing major improvements.

M/S Engels/DeWilde to approve minutes of the December 1, 2016 WR/E Committee meeting, as presented. Motion carried.

M/S Engels/Spronk to accept the City of Dawson's Water/Wastewater Committee Meeting Minutes (12/12/16), for record. Motion carried.

Board may consider reevaluating CIP priorities.

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

Other Business:

- Mike Moeller donation of CRP payment to area charity. Board request a *Thank You* letter be sent to Mike Moeller.

- Regional Wellhead Technician - \$2,000 commitment.

M/S Spronk/Lonneman to accept the Pipestone SWCD agreement and payment of \$2,000 providing wellhead support for 2017. Motion carried.

- 2017 Board Schedule.

M/S Kling/Kraus to accept the 2017 Board Schedule, as presented.

- 2017 Board Nominations

Chair – Lonneman nominated Weber.

M/S Engels/Ufkin to close nominations; approving Weber to serve as chair for 2017. Motion carried.

Vice-Chair – Engels nominated DeWilde.

M/S Ufkin/Moen to close nominations; approving DeWilde to serve as Vice-Chair for 2017. Motion carried.

Treasurer – Lonneman nominated Spronk.

No other nominations provided. Approval of Spronk as Treasurer for 2017. Motion carried.

Secretary – Spronk nominated Moen.

No other nominations provided. Approval of Moen as Secretary for 2017. Motion carried.

Weber recommended leaving all board committees the same. Committee appointments will be finalized at the January Board meeting.

- Board Per Diem

M/S Ufkin/Spronk to raise the per diem \$25 for all regular meetings and committee meetings starting January 1, 2017. Motion carried.

Public Comment: No public comments.

Adjournment: *M/S Lonneman/Spronk to adjourn board meeting at 12:48 pm. Motion carried.*

Respectfully Submitted,

Janice Moen, LPRW Board Secretary