

Lincoln Pipestone Rural Water

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Meeting Minutes

December 17th, 2018

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 17th, 2018, starting at 9:00 am. Chairman Earl DeWilde called the meeting to order with Commissioners Ken Buysse, Brent Feikema, Rod Spronk, Jan Moen, Jerry Lonneman, Joe Weber, Mitch Kling, Randy Kraus, Bill Ufkin and Frank Engels present. Also present were Board Attorney Ron Schramel, DGR Engineer Darin Schriever, Financial Advisor Nathan Kinner, Enterprise Technician Jodi Greer, Field Supervisor Tom Muller, General Manager Jason Overby, Lyon Co. Commissioner Gary Crowley and Board Member-Elect Glen Grant.

Agenda: *M/S Ufkin/Feikema to approve the agenda with flexibility considered for the Chairman. Motion carried.*

Timmerman Request: Jeff and Diann Timmerman requested to have the previously applied extra capacity unit removed from the assessment roll. Due to change in operations, the Timmerman's no longer need the additional capacity at this location. Schramel was acceptable with removing this from the assessment roll.

M/S Engels/Kraus to approve the Timmerman request to remove the extra capacity unit charge from the 2019 assessment roll. Motion carried.

Brinkmeyer Request: Kelly (Matt) Brinkmeyer requested to remove two (2) additional capacity charges off the 2019 assessment list; as they have drilled a well and are not needing the extra capacity at this time. Schramel outlined in detail the costs of this service. The Brinkmeyer's will be paying their water service hookup in full.

M/S Spronk/Moen to approve the Brinkmeyer request to not charge for two extra capacity charges and remove those charges from the assessment roll. Motion carried.

Amber Behnke: Customer is upset because of the large water bill that was received. A discrepancy existed between the remote read and the meter, resulting in charges of \$1033.88. Customer stated that LPRW staff should have contacted her prior to sending this bill out and explain why it was so high. Customer would like her old meter tested, and be present when the meter is tested. She just wants to be treated fairly; is very unhappy with the lack of communication and will pay for the water that was used once her meter is tested. She is willing to work out a payment plan. GM will work with Mrs. Behnke and come to a suitable agreement for both parties.

Minutes: *M/S Engels/Buysse to approve minutes from the November 2018 Board Meeting. Motion carried.*

Operations Report: December Operations Report was assembled by Muller and presented to board. Muller requested that the board consider continuing to serve the City of Worthington water after they are hooked up to L&C to keep the line fresh. Board directed the GM to reach out to the city officials and inquire if this is something the City would be interested in.

Ufkin inquired as to the higher costs of services this year. Muller reported that LPRW hired out more construction work this year for new customer hookups and large pipe installation, than in past years, reflecting the higher overall costs.

Greer highlighted the request from Luke Berg for two (2) additional capacities at an existing service located at SE ¼, Section 14, Omro TWP, YM Co. This location is within our current moratorium-designated area. DGR has run the hydraulics and determined this not to be a problem unless additional high volume users request service along this particular water main.

M/S Engels/Kraus to approve Luke Berg's request for two (2) additional capacity units at the existing service located at SE ¼, Section 14, Omro TWP, Yellow Medicine County. Motion carried.

Manager's Report: December Manager's Report was presented.

Verdi Wellfield Additional Capacity Development – Assessment Review: Jim DeLambert, Carlson-McCain, provided a study overview of the Verdi water source/aquifer; showing cross-sectional profiles, individual well capacities during high water and drought periods. DeLambert discussed possible options for consideration, including adding one (or two) additional production wells on the South Dakota side to provide redundancy during drought conditions. Additional well position north of the existing PW-5 could be considered, but may not be feasible unless treatment is involved. Schramel inquired about costs for modeling of the aquifer. DeLambert stated models vary in complexity, as well as the costs associated. A simple model may run \$20,000 to perform. DeLambert commented that one item of particular interest that needs to be verified is the “specific capacity” for each production well at the Verdi water source. A final report will be provided.

Engineer's Report: Darin Schriever presented Engineering Report for December. Additional items discussed included the following:

- **Verdi Pump Station and GSR:** DGR is waiting on comments from RD on Verdi.
- **Comprehensive Tank Maintenance Plan:** 2019 CTMP budget in development.

- **Summary of South End Water Sources and Demands:** A detailed analysis of the south end water sources (OCRWS, LCRWS and Holland) was reviewed by Schriever. Review included projected usage for this area based on peak days (1.5 peaking factor) and peak month (1.25 peaking factor). Engels asked about a comfortable margin for source water availability. Schriever said that in practice, if a public water supplier reaches 80% of used capacity, plans should be generated for consideration. If encroaching 90% of used capacity, then supply plans/alternatives should be activated. There was further discussion on Holland source water and possible funding source for treatment at Holland.

Attorney’s Report: Judge Zimmer approved term reappointments of Earl DeWilde and Randy Kraus, and the appointment of Glen Grant to fill the vacant commissioner seat left by retiring Commissioner Buysse. The court also approved the 2019 Commissioner District Map.

PERA Notification/Determination letter was reviewed. LPRW will start with MN PERA January 1, 2019.

Special Assessment Hearing: scheduled for December 26th at Lyon County Courthouse. Schramel requested from the Board to move the annual Assessment Report from December to the January meeting due to the number of prepaids that occur at the end of the year. The annual Assessment Report will be provided at the January meeting.

Treasurer’s Report: Kinner presented the Treasurer’s Report for December.

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

Kinner presented a summary of LPRW’s 5-year cash flow. Kinner reviewed assessment accounts anticipated for the next 10 years; highlighting a negative cash flow for the next 2-4 years at current budgetary projections. Kinner then provided overview of proposed FY2019 Budget with final refinements incorporated. A rate adjustment to the monthly base (minimum) and commodity rate was recommended by Kinner.

M/S Spronk/Kling to approve the FY2019 budget, as presented. Motion carried.

M/S Kling/Moen to approve the increase in monthly base (minimum) and the commodity rates, beginning effective July 1, 2019, as follows:

| | |
|--------------------------------------|------------------------|
| <i>Base (Monthly Minimum)</i> | <i>\$ 32.53</i> |
| <i>0-5,000</i> | <i>\$ 2.66</i> |
| <i>5,000-10,000</i> | <i>\$ 2.73</i> |
| <i>10,000-20,000</i> | <i>\$ 2.78</i> |
| <i>20,000+</i> | <i>\$ 2.78</i> |
| <i>Bulk/Municipal Rates</i> | <i>\$ 2.66</i> |

Nine (9) commissioners For, one (1) Opposed (Ufkin). Motion carried.

Paid Bills:

M/S Feikema/Buysse to approve payment on checks #3222 & 3223, and #3240 through #3378. Motion carried.

Pending Bills:

- DeWild Grant Reckert and Associates Company:
 - General Services Invoice #206 = \$5,669.50
 - City of Edgerton = \$3,846.10
 - 2016 Improv. Pro. 2 #30 = \$13,860.00
 - North Area Water Source = \$356.50
 - Comprehensive Tank Maintenance Plan. = \$2,521.00
- Schramel Law Office:
 - General Services = \$5,320.28
- Kinner & Company Ltd
 - Sept. Oct & Nov. = \$9,115.00
- Carlson McCain
 - Verdi Wellfield assessment = \$6,038.75
- Pipestone County SWCD
 - Resource Specialist/Wellhead = \$2,000.00
- USDA
 - Nobles BAB 2010A = \$454,875.00
 - Nobles 2011B = \$259,610.00
 - Nobles 2011A = \$219,590.00
 - Nobles 2010 = \$37,888.00
 - Lincoln 2016B = \$120,782.50

M/S Engels/Weber to approve paying pending bills and bond payments, as presented. Motion carried.

Committee Reports:

- **Executive Committee:** *M/S Ufkin/Moen to approve minutes from the December 8th, 2018 Executive Committee meeting. Motion carried.*
- **Personnel Committee:** Nothing to report.

- **Budget and Finance Committee:** *M/S Spronk/Feikema to approve the minutes from the November 26th, 2018 Budget & Finance Committee meeting. Motion carried.*
- **Water Resources and Equipment Committee:** *M/S Kling/Buysse to approve the minutes of the December 3rd, 2018 Water Resource & Equipment Committee meeting. Motion carried.*
- **Joint Powers Board Representative:** Nothing to report.

Other Business:

- **Ken Buysse Board Retirement:** Chairman DeWilde recognized Ken Buysse and his 19 years of service to the LPRW Board of Commissioners. A plaque will be presented to Ken Buysse honoring his dedication and service to the organization.
- **LPRW Logo:** Greer presented the newly designated logo on company correspondence sheets.
- **Election of LPRW Board Officers:**

Chair: Kraus nominated Earl DeWilde. M/S Ufkin/Engels to cease nominations for Chair. Motion carried. Approval of DeWilde as Board Chair for 2018. Motion carried.

Vice-Chair: Feikema nominated Mitch Kling. No other nominations provided. Approval of Kling as Board Vice-Chair for 2018. Motion carried.

Treasurer: Lonneman nominated Rod Spronk. No other nominations provided. Approval of Spronk as Board Treasurer for 2018. Motion carried.

Secretary: Engels nominated Jan Moen. No other nominations provided. Approval of Moen as Board Secretary for 2018. Motion carried.

Chairman DeWilde declared no change to Board Committee appointments from 2018, with the exception of Commissioner-elect Glen Grant to replace retiring Commissioner Buysse on the Personnel Committee starting January 2019.

Public Comment: No public comment.

Adjournment: *M/S Kling/Feikema to adjourn board meeting at 12:34 pm.*

Respectfully Submitted,

Janice Moen, LPRW Board Secretary