

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

February 29, 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 February 29, 2016, starting at 9:00 AM. Vice-Chairman Earl DeWilde called the meeting to order with Commissioners Mitch Kling, Ken Buysse, Randy Kraus, Rod Spronk, Brent Feikema, Bill Ufkin, Jan Moen, Jerry Lonneman and Frank Engels present. Chairman Joe Weber arrived later and resumed officiating the meeting. 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 Ufkin/Feikema to approve the agenda.*

Minutes: *M/S/P – U Lonneman/Buysee to accept the January 2016 Board Minutes and 1-25-16 Personnel Committee Meeting Minutes, as presented.*

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

- **DeWild Grant Reckert and Associates Company:**
 - General Services Invoice #172 = \$29,565.00
 - New Water Source Development – ppe #91 = \$157.50
 - 2014-2015 Improvements Project – ppe #9 = \$13,871.00
- **Schramel Law Office:**
 - General Services = \$4,204.00
 - 2016 Expansion Project = \$5,248.00

Field Superintendents'/Enterprise Technician's Reports:

- **Tom Muller:** Part 1 and 2 bids were opened on Feb 25, 2016. All but 4 easements for Priority 1 – Distribution Improvements have been signed. All Magnolia ML easement packets have been prepared and are at Legal for review.
- **Shawn Nelson:** Pursuing service quotes from contractors for cost comparisons. Prices have risen considerably: e.g. for a routine 1000 ft service, LPRW can install for \$1800, versus \$4800 with easement in place that would have been charge by one contractors estimate.

- **Jodi Greer:** Discussed MRWA schedule; meetings with USDA-RD and Dr. Michael Kiefer.

Interim-CEO Report:

- LED Change-out: We are gathering information for changing out lighting to LED lamps at three of our facilities. Review all options to maximize rebates.
- Holland Greensand Pressure Filter Pilot Test: Staff conducted a 7-day test on pressure filter operation only (no RO treatment) to better understand overall costs/1000 gallons of water. Output to distribution averaged 866 gpm. Cost analysis focused on energy, labor, chemicals, and mileage with results showing an approximate cost of \$0.64/1000 gallons. Energy and labor were the largest factors. Nitrates were also analyzed on-site during the pilot (6.5-6.6 ppm) and at end of test (6.1 ppm) by certified lab. Discussion also included the 7 ppm treatment trigger that is in affect at Holland. Staff will check prices for filter media replacement.
- Tool Inventory: A list for replacement of missing tools, as personal property, has been generated.

M/S/P – U Spronk/Engels to proceed with purchase of replacement tools for missing sets belonging to employee; and to purchase full sets of tools identified for replacement at Verdi shop. Employee is required to sign agreement acknowledging that all personal property has been replaced and returned to owner.

- Employee request to utilize personal sick leave beyond family sick leave quota, for purposes of family member care.

M/S/P – U Moen/DeWilde to authorize the use of personal sick leave by the requesting employee for care of family member.

Board asked Enterprise Technician to review personnel policy handbook.

- City of Trosky – Agreement has been signed for the installation of an above-ground meter building (6' x 8'). This is the third meter house slated for construction this year (along with Cities of Lake Benton and Ghent).
- Construction easement at Edgerton PS/R – Schreiver recommended 2 years of crop damage if there is heavy equipment on land.

Engineer's Report:

- **CIP Program** – Schreiver provided progress update of CIP projects. Sealed bid opening for both priorities occurred February 25, 2016. Summary of bidders, bid tabulations and recommendations were presented.

- **Priority #1-Part 1 (Water Source & Control Upgrades):** 2 bids (Ellingson Companies - \$1,888,797.50; and KHC Construction - \$2,190,000.00), both coming in higher than engineer estimates. Low bidder – Ellingson Companies recommended for contract award.
- **Priority #1-Part 2 (Distribution Improvements):** 4 bids (Dave Hulstein Excavating - \$658,384.00; Winter Brothers Underground - \$679,340.00; TE Underground - \$710,833.75; and Carstensen Contracting - \$720,430.00), all of which came in under engineer estimates. Low bidder – Dave Hulstein Excavating recommended for contract award.

RD inquired as to where additional dollars are coming from to cover any shortfall stemming from Priority 1. RD is requesting official documentation from LPRW addressing any funding deficiencies.

M/S/P – U Spronk/Kling to award contract for Priority 1 to Ellingson Companies, contingent upon USDA-RD approval.

M/S/P – U Spronk/Kling to award contract for Priority 2 to Dave Hulstein Excavating, contingent upon USDA-RD approval.

- **Priority #2:** Working on responses to RD review comments. Plans/specs for Magnolia-Edgerton pipeline, and the Edgerton PS/R are nearing completion; submittal expected week of March 7th.
- **L&C Regional Water System** – Bid opening for Magnolia service line connection on March 17th.
- **RRRW** – Nothing to report.
- **Bluegrass Dairy** – Kling advised reestablishing communication with main contact person – letting them know of change in management at LPRW.
- **Tank Maintenance** – Tabled discussion.
- **City of Edgerton** – Nothing to report.
- **LPRW Op & Cont. Meeting** – Nothing to report.

Schreiver provided LPRW with updated map depicting three neighboring systems: LPRW, Red Rock Rural Water and Rock County Rural Water.

Treasurer's Report: The Interim CEO presented the Treasurer's report. Discussion on this month's formatting of the income statement – prefer to show comparison between prior years and/or year-to-date comparison with annual budget.

Attorney's Report: Schramel summarized the bond hearing (2/24/16) – Judge Bush authorized the \$3,108,000.00 general obligation bond for Priority 1 project.

Schramel requested board action on three documents required for Priority 2 project.

M/S/P – U Lonneman/Kraus to approve the following documents related to LPRW's Priority 2 Project: 1.) Legal Services Agreement, 2.) Right-of-Way certificate and 3.) Right-of-Way Map, as presented.

Schramel then recommended board approval for the final closing documents of the refinancing for the Pipestone Co G.O. Revenue Bond.

M/S/P – U Ufkin/Buysee to approve final closing documents related to the Issuance, Sale and Delivery of General Obligation Water Revenue Refunding Bonds, Series 2016A of Pipestone County, Minnesota.

Regarding surplus electronic/equipment: if LPRW deems certain electronic devices having no market value, then those items can be kept. If said items have market value, then LPRW has to open them up for public offering.

M/S/P – U Ufkin/Feikema to declare old electronic items (iPads, laptops) as excess surplus property, and to publicly advertise said items for electronic bidding.

Schramel discussed Red Rock RW's review of LPRW's cost estimates for two connection options near the community of Lakefield, MN. RRRW will be considering all available options to meet their water needs. Further discussions regarding a southern interconnect between the two systems may be warranted.

Committee Reports:

- **Water Resources and Equipment Committee:** Lonneman suggested WR/E Committee look into capacities that are not being utilized. Schramel was concerned how the courts may interpret capacity charges and our service connections; further suggesting creating a policy change that includes a window of opportunity to utilize capacity before window closes. Not using ones requested allotment could automatically cause that party to forfeit the excess amount.
- **Executive Committee:** Nothing to report.
- **Personnel Committee:** MRWA is seeking a representative from LPRW for the Minnesota Government Agency Finance Group.

M/S/P – U Ufkin/Kling to appoint Janice Moen as representative to the MRWA Minnesota Government Agency Finance Group.

- **Budget and Finance Committee:** Nothing to report.

- **Joint Powers Board Representative:** Bid opening scheduled on March 17, 2016 for the Magnolia service connection.

Other Business:

- **Meeting with Dr. Michael Kiefer:** Scheduled for Wednesday, March 2, 2016 at 10:00 A.M. start time, University B – Kelly Inn & Suites, St. Cloud.

Public Comment: None

Adjournment: M/S/P – U Ufkin/Feikema to adjourn meeting at 11:25 a.m. The next regular Board Meeting will be Monday, March 28, 2016 at 10:00 a.m.

_____ Janice Moen, Secretary