

# **Lincoln Pipestone Rural Water**

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## **Meeting Minutes**

**May 23, 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, May 23, 2016, starting at 7:00pm. Chairman Joe Weber called the meeting to order with Commissioners Earl DeWilde, Mitch Kling, Ken Buysse, Randy Kraus, Brent Feikema, Rod Spronk, Bill Ufkin, Jerry Lonneman, Jan Moen, and Frank Engels present. Also present were Board Attorney Ron Schramel, DGR Engineer Darin Schriever, General Manager Jason Overby, Field Superintendents Tom Muller and Shawn Nelson, and Enterprise Technician Jodi Greer.

**Agenda:** *M/S/P – U Engels/Feikema to approve the agenda.*

**Minutes:** *M/S/P – U Ufkin/Kraus to approve minutes from the April 2016 Board Meeting, as presented.*

**2015 Audit Report:** Tabled until June Board meeting.

**Financial Services Provider:** Discussion over Financial Service Provider. Decision for Manager to create a position description for the Budget & Finance Committee review.

**Audit for 2017:** Board discussion on changing of auditors on a more frequent basis. Weber called for a motion recommending changing auditors.

*M/S/P – U Lonneman/Ufkin to change auditors for the 2017 fiscal year, but to remain with current auditors through FY2016.*

**Insurance Coverage for Directors and Officers; and Wrongful Acts of Employees:** Manager was directed to investigate existing coverages and report to Budget & Finance Committee.

### **Operations Report:**

- Monthly report was provided to the board. Muller added status of Pritchett and Stueven Options-To-Purchase agreements.

**Engineer's Report:** Schriever presented Engineering Report.

### **• CIP Program**

#### **Priority #1:**

- Part 1 (Source & Control Upgrade) – Progress update. Recommendation for Board action on PPE #1 and CO #1.

*M/S/P – U Buysee/Kling to approve Ellingson Change Order #1 for Priority 1 – Part 1, for the amount of \$36,198.27.*

*M/S/P – U Engels/DeWilde to approve Ellingson PPE #1 for Priority 1 – Part 1, for the amount of \$365,803.23, contingent upon receipt of Lien Waiver documents on materials ordered.*

- Part 2 (Distribution Improvements) – Progress update. Recommendation for Board action on PPE #2.

*M/S/P – U Feikema/Lonneman to approve Hulstein PPE #2 for Priority 1 – Part 2, for the amount of \$144,123.46.*

**Priority #2:** Magnolia – Edgerton Pipeline and Edgerton PS/R bid opening set for June 23, 2016. SCADA upgrades will be procured through a Request for Proposal (RFP) process. Schramel added the June 29, 2016 meeting date for final JPA authorization from Judge Bush.

**Tank Maintenance** – Reviewed 2016 Annual Work plans.

**Manager’s Report:** Manager’s report was presented. Other items discussed included:

- City of Edgerton – City approval of materials and installation of temporary connection point.
- City of Round Lake – request for additional water. Manager directed to contact city in regards to additional charges for exceeding peak daily capacity.
- Verdi-SD land loan payoff total = \$424,272.54
- OCRWS – Manager directed to find out timing of rate increases from OCRWS.
- L&C Project progress.
- Financial activities.
- LCCMR Update

**Attorney’s Report:**

- Bonding for Priority 2 – supported by Pipestone County as the lead county. Eight counties have responded with support through Joint Powers Agreement, with Lyon and Lincoln yet to respond. Weber, Engels Moen and Overby will attend the Lincoln Co. Commissioners meeting on June 7, 2016.
- Board reappointments for 2017: Frank Engels, Janice Moen and Brent Feikema.

*M/S/P – U Spronk/Kraus to approve Engels, Moen and Feikema to serve another 4-year term starting in January 2017 and ending in December 2020.*

**Treasurer’s Report:** Manager presented the Treasurer’s report.

Pending Bills:

- DeWild Grant Reckert and Associates Company:
  - General Services Invoice #175 = \$45.00
  - 2014-2015 Improvements Project – Priority 1, PPE #12 = \$20,568.46
  - 2016 Improvements Project – Priority 2, PPE #1 = \$105,934.70

*M/S/P – U Spronk/Buysee to approve paying the listed bills from DGR, with clarification from Schriever on General Services line items.*

- Schramel Law Office:
  - General Services = \$1,400.00
  - 2015 Expansion Project – Priority 1 = \$3,056.00
  - 2015 Expansion Project – Priority 2 = \$1,088.00

*M/S/P – U Ufkin/Moen to approve paying the listed bills from Schramel Law Office, as presented.*

*M/S/P – U Moen/Feikema to approve paying Ellingson PPE #1 for Priority 1 – Part 1, for the amount of \$365,803.23.*

*M/S/P – U Lonneman/Engels to approve paying Hulstein PPE #2 for Priority 1 – Part 2, for the amount of \$144,123.46.*

*M/S/P – U Kraus/Kling to accept the Treasurer’s Report, as presented.*

**Committee Reports:**

- **Executive Committee:** Nothing to report.
- **Personnel Committee:** Nothing to report.
- **Water Resources and Equipment Committee:** Committee meeting to be scheduled on June 20, 2016 at 6:00pm.
- **Budget and Finance Committee:** Recommendation to full board of monthly base rate increases.

*M/S/P – U Engels/DeWilde to approve raising the monthly base rate \$2.00 per month beginning July 1, 2017, and another \$2.00 per month beginning July 1, 2018. These two base rate raises, along with the \$5.00 base rate raise effective on July 1, 2016 will raise approximately \$486,000.00 per year (based on 4500 customers) to make yearly payments on loans of \$3,108,000 (Lincoln Co. Bond) for Priority 1, and \$9,890,000 (Pipestone Co. Bond) for Priority 2, capital improvements.*

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

**Other Business:**

- Schramel suggested investigating refinancing of USDA-RUS loans due to low interest rates.

*M/S/P – U Ufkin/Feikema to give authority to Overby and the Budget Committee to follow the recommendations of Northland Securities in regards to refinancing of USDA-RUS Loans 2010, 2011A and 2011B issued through Nobles County.*

- Schramel discussed contract with Marshall Municipal Utilities, suggesting Water Resource & Equipment Committee take this up for consideration.
- Yellow Medicine County Resolution

*M/S/P – U Kling/Buysee to adopt Resolution Regarding the Issuance, Sale and Delivery of General Obligation Water Revenue Refunding Bond, Series 2016A of Yellow Medicine County, Minnesota.*

- Lincoln County Resolution:

*M/S/P – U Ufkin/Kraus to adopt Resolution Regarding the \$3,108,00 General Obligation Water System Revenue Bond, Series 2016B of Lincoln County, Minnesota.*

**Public Comment:** No public comments.

**Adjournment:** *M/S/P – U Lonneman/Feikema to adjourn board meeting at 10:12 pm.*

Respectfully Submitted,

Janice Moen, LPRW Board Secretary