

# **Lincoln Pipestone Rural Water**

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## **Meeting Minutes**

**June 25<sup>th</sup>, 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, June 25<sup>th</sup>, 2018, starting at 5:02pm. Chairman Earl DeWilde called the meeting to order with Commissioners Ken Buysse, Brent Feikema, Rod Spronk, Bill Ufkin, Jan Moen, Jerry Lonneman, Joe Weber, Mitch Kling, Randy Kraus, and Frank Engels present. Also present were Board Attorney Ron Schramel, DGR Engineer Peter Baudhuin, Financial Advisor Nathan Kinner, Field Supervisor Tom Muller, Enterprise Technician Jodi Greer, and General Manager Jason Overby.

**Agenda:** *M/S Feikema/Engels to approve the agenda. Motion carried.*

**Minutes:** *M/S Ufkin/Lonneman to approve minutes from the May 2018 Board Meeting, with corrections to ending check # on Paid Bills. Motion carried.*

**Engineer's Report:** Peter Baudhuin presented Engineering Report for June. Additional items discussed included the following:

- **CIP Program:**

SCADA Upgrades: *M/S Weber/Spronk to approve payment to AE2S Construction, LLC for PPE #2 (Final) in the amount of \$2,560.00 and to accept contract as complete, subject to satisfactory completion of final papers and RD approval. Motion carried.*

Meter replacement/AMR System: *M/S Buysse/Moen to approve payment to Metering & Technology Solutions for PPE #3 in the amount of \$88,972.49. Motion carried.*

- **CTMP:**

*M/S Lonneman/Kraus to approve payment to K&W Coatings for PPE#1 in the amount of \$15,291.20. Motion carried.*

- **City of Dawson Connection:**

Pipeline Construction: *M/S Feikema/Engels to approve CO#3 (Final) for \$8,308.20 with a 5-day time extension to Winter Brothers Underground. Motion carried.*

*M/S Spronk/Moen to approve PPE#5 for \$18,152.79 to Winter Brothers Underground. Motion carried.*

Booster/Meter Building: *M/S Buysse/Engels to approve CO#1 for Hydro Tech Service for \$21,146.00; which includes a modified site plan and time extension from April 27 to September 28, 2018. Motion carried.*

*M/S Ufkin/Lonneman to approve PPE#2 for \$7,787.65 to Hydro Tech Service. Motion carried.*

Lonneman asked how much this (Dawson Connection) would cost LPRW. Baudhuin responded that the building costs at \$118,646.00, plus the pipeline costs of \$367,860.00.

Spronk inquired as to when we can expect the Edgerton City building to be started. Baudhuin stated Edgerton should be in service by spring of 2019.

Gary Crowley arrived at 5:20pm.

Mitch Kling arrived at 5:24pm.

**Operations Report:** June Operations Report was presented. Additional items discussed included the following:

- Muller reported that he is still waiting on the check from Herman Bos for the Edgerton well.
- Spronk asked Muller to explain what was happening with the rerouting of pipeline north of Marshall. Muller updated Board on progress.
- Joan Vanlerberghe has requested an additional capacity. DGR has run hydraulics and has determined that LPRW can provide additional water at this service location without impacting surrounding customers.

*M/S Ufkin/Buysse to approve the request for additional capacity of 50,000 gallons per month by Joan Vanlerberghe at the location currently served. Motion carried.*

- Muller stated that new hookups to Cargill and CPS are moving forward.
- GM informed the board that due to unavailable signup acres for wellhead areas, LPRW cannot enroll the Halbersma property into CRP Program in 2018.
- Brookings-Deuel Rural Water has sent notification of rate increase applied to all wholesale customers. The new water rate is increased to \$2.05/1,000 gallons/month.

- The Verdi wellfield generator and transfer switch has sustained damages and is inoperable; requiring immediate repairs. A quote has been provided by Ziegler CAT in the amount of \$8,864.61.

*M/S Ufkin/Moen to accept the quote provided by Ziegler CAT in the amount of \$8,864.61, and to proceed with necessary emergency repair work. Motion carried.*

**Manager's Report:** June Manager's Report was presented. Additional items discussed included the following:

- City of Canby Emergency Water Supply Agreement:

*M/S Lonneman/Kraus to approve the Emergency Water Supply Agreement between LPRW and the City of Canby. Motion carried.*

- City of Dawson Connection-Amendment to lease:

*M/S Spronk/Engels to approve the First Amendment to the Lease Agreement with the City of Dawson. Motion carried.*

- GM discussed billing effects and timelines stemming from the new AMR system, versus the old self-read method. GM requested that the billing due date be changed from the 10<sup>th</sup> of the month to the 20<sup>th</sup> of the month.

*M/S Lonneman/Ufkin to have payment be postmarked and ACH transfer submitted by the 15<sup>th</sup> of the month; and if payment is not received by the 25<sup>th</sup> of the month (when the next reading is generated), the customer will be charged a late fee. Motion carried.*

- Weber discussed an upset customer that is refusing to sign a new Water Users Agreement and does not want the AMR installed. The customer is also upset with having to pay a penalty for going over the 50,000 gallons a month. Referring to language described in the Water Users Agreement, Schramel indicated that service to a customer could be terminated if that customer is non-compliant in paying for water charges.

**Attorney's Report:**

The City of Lynd provided water usage readings for LPRW customers residing in Affinity Hill Development for the past four years (2014-2017). Barb Powell has worked

on compiling this information. Considerable volume of water (over 4 million gallons) had been unreported by the City during this time frame. Board consensus was to finalize data analysis and determine overall costs attributed to non-payment for water previously unreported. A letter will be sent notifying the City of payment due, to which the City will have 30 days to pay, after which interest will accrue.

A revised LPRW Board of Commissioners District Map was presented.

***M/S Feikema/Kling to approve the new LPRW Commissioner District Map, as presented. Motion carried.***

Board instructed staff to mail out letters to customers within the newly formed district to fill the vacancy by the retirement of Ken Buysse at the end of 2018.

Schramel reported that Judge Bush has retired and that there will be a new District Judge assigned.

**Treasurer's Report:** Kinner presented the Treasurer's Report for June.

***M/S Feikema/Weber to approve Treasurer's Report, as presented. Motion carried.***

**Paid Bills:**

***M/S Kling/Buysse to approve payment on checks #2427 through #2543. Motion carried.***

**Pending Bills:**

- DeWild Grant Reckert and Associates Company:
  - General Services Invoice #200 = \$6,861.00
  - Comprehensive Tank Main. = \$2,689.41
  - Dawson Water Source PPE #14 = \$4,824.00
  - 2016 Improvement Pro. #26 = \$13,538.16
- Schramel Law Office:
  - General Services = \$2,824.78
- Northland Securities
  - Nobles County \$2,575,000 Series 2017B = \$46,041.87
  - Nobles County \$6,540,000 Series 2017A = \$80,687.50
- Kinner & Company Ltd
  - March – May billing = \$5,810.00

*M/S Engels/Weber to approve paying all pending bills, as presented. Motion carried.*

### **Committee Reports:**

- **Executive Committee:** *M/S Kling/Ufkin to approve the minutes from the May 21<sup>st</sup>, 2018 Executive Committee Meeting. Motion carried.*

**Personnel Committee:** Moen reviewed the minutes of the June 8<sup>th</sup> Personnel Committee meeting. The Personnel Committee recommended to raise the starting hourly wage for the Water Operator position from \$15.25 to \$16.00, to keep in line with current market values and provide a competitive wage for the hiring process. Ufkin believes that management and the committee was going about this backwards; and that starting wage adjustment for all positions should include all benefits provided to reflect a total compensation package.

*M/S Ufkin/Weber to table the Personnel Committee's recommendation and to come up with a total benefits and salary comparison for next years budget. Motion carried.*

*M/S Kling/Engels to approve the minutes from the June 8<sup>th</sup>, 2018 meeting. Motion carried.*

- **Budget and Finance Committee:** Nothing to report.
- **Water Resources and Equipment Committee:** Kling reviewed the minutes from the June 18<sup>th</sup> Water Resource & Equipment Committee meeting held in Minneota, MN.

*M/S Lonneman/Feikema to approve the minutes from the June 18<sup>th</sup>, 2018 meeting. Motion carried.*

*M/S Lonneman/Weber to approve WR&E Committee's recommendation to move forward with the alternative option of distribution improvements along the 10-inch main line and at Green Valley Booster. Motion carried.*

*M/S Spronk/Kraus to WR&E Committee's recommendation to accept the Non-Firm Water Purchase Agreement between LPRW and MMU. Motion carried.*

*M/S Lonneman/Kraus to approve the recommendation to pursue formal proposals for hydrology studies on the Verdi Water Source, and to have available for review by the July Board Meeting. Motion carried.*

- **Joint Powers Board Representative:** Lonneman reported that City of Luverne may consider discussions with LPRW regarding the purchasing of available water to the City. LPRW staff and WR Committee to research this for feasibility.

### **Other Business:**

- Kernza Production Agreement.

***M/S Spronk/Feikema to approve the Kernza Production Agreement with Plovgh. Motion carried.***

Weber stated that LPRW needs to take necessary steps for Kernza plot to become certified “organic”.

- EDF Renewable Energy Consent to Lease Agreement.

***M/S Lonneman/Spronk to approve the Consent to Lease Agreement with EDF Renewable Energy.***

Engels expressed concern about having to cross EDF Renewables power lines and would like EDF Renewables to pay all costs to locate and expose their lines.

***M/S Engels/Weber to rescind the motion made in regards to the Consent to Lease Agreement with EDF Renewable Energy. Motion carried.***

Schramel offered to provide appropriate language to be included within the agreement that addresses those concerns.

***M/S Engels/Lonneman to approve the GM to sign the Consent to Lease Agreement with EDF Renewable Energy that includes the additional language requiring that EDF Renewable Energy covers all costs for the locating and exposing of their lines. Motion carried.***

**Public Comment:** No public comment.

**Adjournment:** *M/S Kling/Engels to adjourn board meeting at 7:50 pm.*

Respectfully Submitted,

Janice Moen, LPRW Board Secretary