

# **Lincoln Pipestone Rural Water**

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## **Meeting Minutes**

**September 26th, 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, September 26th, 2016, starting at 6:00pm. Chairman Joe Weber called the meeting to order with Commissioners Ken Buysse, Randy Kraus, Brent Feikema, Rod Spronk, Earl DeWilde, Mitch Kling, Bill Ufkin, Jan Moen, and Frank Engels present. Absent was Commissioner Jerry Lonneman. 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 Engels/Kraus to approve the agenda. Motion carried.*

**Minutes:** *M/S Buysse/Feikema to approve minutes from the August 2016 Board Meeting, Budget & Finance Committee Meeting Minutes (9/16/16), Water Resource Committee Meeting Minutes (9/20/16), and the Personnel Committee Meeting Minutes (9/16/16), as presented. Motion carried.*

**Operations Report:** September Operations Report was presented. Additional discussion included the following:

- Glenn Rohlik – Burr Service Area hookup request consisting of five hog barns; and includes two capacity charges and extra pipe footage. Intends to have on-site storage and will still keep well active.

*M/S Ufkin/Kraus to approve the hookup, provided Mr. Rohlik has sufficient on-site storage, and specifying within the water users agreement that LPRW has the right to shut the service off if/when needed. Motion carried.*

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

- **CIP Program**

Priority #1 – Part 1 (Water Source & Control Upgrades):

*M/S Engels/Buysse to approve paying Ellingson Companies PPE #5 for Priority 1 – Part 1, for the amount of \$183,308.53. Motion carried.*

Priority #1 – Part 2 (Distribution Improvements):

*M/S Engels/Moen to approve Change Order #2 having a deduction of \$3,954.00 as adjustment for final quantities; of which includes \$10,700.00 liquidated damages for substantial and final completion. Motion carried.*

*M/S Ufkin/Kraus to approve paying Hulstein Excavating PPE #4 for Priority 1 – Part 2, for the amount of \$80,458.08; and to submit this as final payment on contract. Motion carried.*

Priority #2 – Magnolia Pipeline: No change orders/PPE's presented.

Priority #2 – Edgerton PS/R:

*M/S Spronk/Buysse to approve paying KHC Construction PPE #2, for the amount of \$120,995.12. Motion carried.*

Priority #2 – SCADA Integrator: working with USDA-RD on RFQ's.

- **Hendricks/Ivanhoe Tank Recoating Project:** Contractor mobilized, materials on site.
- **Verdi Wellfield:** Board requested quotes from hydrologists for preliminary assessment/monitoring parameters for Verdi wellfield (MN and SD wells); to present at October meeting.

**Manager's Report:** August Manager's Report was presented. Other items discussed included:

- Reviewed Managers' phone conversation with Scott Hain (WPU); and discussed Worthington's usage.
- Weber received a call from a customer regarding white residue in her water. Staff will follow up with this matter.

**Attorney's Report:** Assessments are due by October 31, 2016.

**Treasurer's Report:** Kinner presented Treasurer's Report. A meeting will be scheduled mid-October with Budget & Finance Committee. Preliminary budget targeted for the October Board Meeting.

Spronk discussed current interest rates applied to assessments. Add to agenda for the October Board Meeting.

*Pending Bills:*

- DeWild Grant Reckert and Associates Company:
  - General Services Invoice #179 = \$800.50

- 2014-2015 Improvements Project – Priority 1, PPE #16 = \$20,618.04
- 2016 Improvements Project – Priority 2, PPE #5 = \$33,225.00
- Hendricks/Ivanhoe Tank Recoat Project = \$610.0
- Schramel Law Office:
  - General Services = \$3,270.00
  - 2015 Expansion Project – Priority 2 = \$2,049.06

***M/S DeWilde/Engels to approve Treasurer’s Report, as presented. Motion carried.***

***M/S Feikema/Moen to approve paying pending bills. Motion carried.***

**Committee Reports:**

- **Executive Committee:** Nothing to report.
- **Personnel Committee:** Moen reviewed committee minutes. Dr. Michael Kiefer was present during the Pers. Comm. meeting.
  - GM evaluation completed and placed in personnel folder.
  - Health Insurance Option – Due to substantial increase in costs, the committee recommended the following:
    - Alternate 1 (BCBS) for health insurance for 2017.
    - If there is an increase of more than 10% from 2017 to 2018, LPRW to pursue a higher deductible plan.
    - Employee has the option of paying the difference for a lower deductible plan coverage.
  - Committee recommended setting the 2017 annual clothing allowance at \$250 per employee per year.
  - Committee recommended 2017 HSA employer contribution at \$100 per employee per year.

***M/S Kling/Buysse to accept the recommended Alternative 1 health plan option, \$250 annual employee clothing allowance, and \$100 per employee per year HSA contribution. Motion carried.***

- Salaries – committee recommended an allocation of \$20,000 to use for Pay-For-Performance increases and to increase the General Manager’s salary by \$5,000 for 2017.

***M/S Ufkin/Engels to approve recommended salary increases for 2017. Motion carried.***

- Personnel Committee will schedule a date in January for any employee wanting to meet.
- **Budget and Finance Committee:** Spronk reviewed committee meeting minutes.
- **Water Resources and Equipment Committee:** DeWilde reviewed committee meeting minutes.
  - Further discussion included the Option-to-Purchase Agreements for lands owned by Keith & Pearl Pritchett, and Mark Stueven/Charles Pritchett; the results of the appraisals on each parcel; and LCCMR grant requirements.

*M/S Ufkin/Engels to authorize the General Manager to exercise the Option-to-Purchase Agreement(s) if both parties do not accept the appraised value amount for the land. Ballot vote was conducted:*

*Ayes – 7, Nays – 3, Absent – 1. Motion carried.*

Board directed the GM to set up a meeting with both parties involved to discuss the appraisal(s).

  - Nichols Property – Nichols family members are interested in selling property located within the Verdi DWSMA.

*M/S DeWilde/Kling to pursue appraisal on the Nichols property for use within the LCCMR grant. Motion carried.*

Board directed GM to contact Kelly Nichols to get the appraisal started.
- **Joint Powers Board Representative:** Nothing to report.

**Other Business:**

- M/S Engels/Kling to adopt the Resolution Regarding the General Obligation Temporary Water Revenue Bonds, Series 2016B of Pipestone County, MN. Motion carried.*
- M/S Buysse/Spronk to approve Resolution authorizing Jason Overby, in the capacity of General Manager, as authorized organization representative to sign for Farm Services Agency (FSA) documents. Motion carried.*
- M/S Feikema/Spronk to authorize the opening of investment account(s) with BankStar Financial. Motion carried.*
- M/S Ufkin/Buysse to authorize the Joseph Weber (Chair), Earl DeWilde (Vice-Chair), Janice Moen (Secretary), Rodney Spronk (Treasurer), Jason Overby (General Manager) and Karen Petersen (Financial Clerk) as signees for BankStar ICS Financial Program documents and anything relate to this investment account, of which each may act independently. Motion carried.*
- Christmas Party – The staff/board Christmas party will be held December 19<sup>th</sup>, 2016 at 1pm.

*M/S Spronk/DeWilde to move the December 19<sup>th</sup> board meeting to a 9am start.  
Motion carried.*

- Reminder: October Board meeting will start at 6 PM.

**Public Comment:** No public comments.

**Adjournment:** *M/S Feikema/Engels to adjourn board meeting at 9:46 pm. Motion carried.*

Respectfully Submitted,

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Janice Moen, LPRW Board Secretary