

Lincoln Pipestone Rural Water

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Meeting Minutes

January 31, 2022

The regular scheduled meeting of the Lincoln Pipestone Rural Water (LPRW) System Board of Commissioners was held at the LPRW Office in Lake Benton, MN, on Monday, January 31, 2022; and was available for viewing/participating via Zoom video/teleconferencing. The meeting was called to order at 10:00 AM by Board Vice-Chair Bill Ufkin. A quorum was established with Commissioners Randy Kraus, Jerry Lonneman, Mitch Kling, Frank Engels, Brent Feikema and Pete Petersen in attendance, and participating via Zoom link were Commissioners Joe Weber, Rod Spronk and Jan Moen. Absent was Commissioner Earl DeWilde. Also in attendance was Enterprise Technician Jodi Greer, System Supervisors Patrick McCarthy and Tom Muller, General Manager Jason Overby, DGR Engineer Darin Schriever, Board Attorney Ron Schramel, Financial Consultant Nathan Kinner (via Zoom link) and Lyon County Commissioner Rick Anderson.

Agenda: *M/S Engels/Petersen to approve the agenda with modifications. Roll call vote: 9 Ayes, 0 Nays, 1 Absent (DeWilde). Motion carried.*

Minutes: *M/S Feikema/Kraus to approve the minutes from the December 27, 2021 Board Meeting. Roll call vote: 9 Ayes, 0 Nays, 1 Absent (DeWilde). Motion carried.*

Operations Report: Tom Muller presented the Operations Report for January. Commissioner Engels inquired about impacts with the proposed Hwy 68 road project. Muller explained that some pipe will need to be spotted and likely moved. Commissioner Lonneman noted Rock Co. RWS's third connection to L&C RWS has been approved. GM Overby presented summary of purchased water historical data.

Manager's Report: GM Overby presented the January Manager's Report. Items further highlighted included:

- Garvin Park Hookup. Working with Lyon County Zoning on costs to the park and within the park. There was also discussion about Amiret service requests.
- Office/Shop. City seeking a Letter of Commitment.

M/S Lonneman/Feikema to authorize the GM to submit a Letter of Commitment to the City of Lake Benton regarding the development of future office/shop at the Johnson Park Addition. Roll call vote: 9 Ayes, 0 Nays, 1 Absent (DeWilde). Motion carried.

Darin Schriever joined the meeting.

- Staffing Update. Interviews for North System Supervisor had concluded. Staff member Pat McCarthy has been promoted to North System Supervisor.
- Lobbyist. GM has communicated with Sam Krueger. Sam will continue to

investigate on our behalf more funding options. Commissioner Ufkin suggested that LPRW hire a lobbyist to pursue additional funding for the NAWS project.

M/S Engels/Kling to authorize the GM to secure lobbying services for additional bonding or infrastructure funding with the State that would benefit LPRW system. Roll call vote: 9 Ayes, 0 Nays, 1 Absent (DeWilde). Motion carried.

- City of Hatfield. Commissioner Spronk inquired about Hatfield. Communication has occurred, but no decision by the City regarding the use of ARPA funds for new metering technologies, nor decision on our proposed second-generation water purchase agreement. Their newly hired clerk had resigned.
- Commissioner Lonneman indicated that he had discussions with Adrian officials on connecting with LPRW and possible use of ARPA funds.

Engineer's Report: Schriever presented the January Engineering Report. Other items discussed included:

- North Area Water Source. Discussed the progress with NAWS. Soil borings, topo survey and land survey have been completed. Schramel suggested Bryon Lundy sign the purchase agreement before additional steps are taken. LPRW will cover the difference in costs between standard and a reverse 1031-exchange. Lundy is to cover the closing costs.
- City of Rushmore. Working with City engineers on site/building design.
- Office/Shop. Schriever suggested LPRW move forward to secure an RFP from an architect for the new office. Further discussion on the cost of the new office and where funding would be derived.

M/S Lonneman/Kling to authorize DGR to proceed with an architect RFP and a property survey as soon as LPRW receives a Letter of Commitment from the City of Lake Benton. Roll call vote: 9 Ayes, 0 Nays, 1 Absent (DeWilde). Motion carried.

- City of Cottonwood. Schriever explained of hydraulic challenges to getting water to the city. Preparing cost estimates.
- Red Rock Rural Water Updates. Schramel noted RRRW moving forward with their water treatment plant project and Lake Shetek development. RRRW also considering enacting capacity charges.

Attorney's Report: Schramel reported that the January 5th Assessment Hearing went well. A final report of construction costs to be presented at the February meeting.

Treasurer's Report: Kinner reviewed the Treasurer's Report for January 2022. Commissioner Spronk inquired about the capacity of the Son-D service and about PERA calculations. Commissioner Lonneman asked about available cash and board-designated

reserve accounts.

M/S Kraus/Lonneman to approve the Treasurer's Report for, as presented. Roll call vote: 9 Ayes, 0 Nays, 1 Absent (DeWilde). Motion carried.

< BREAK FOR LUNCH >

Paid Bills:

M/S Lonnema/Feikema to approve payment on checks #7950 through #8093, excluding voided checks #7952 & #8035. Roll call vote: 9 Ayes, 0 Nays, 1 Absent (DeWilde). Motion carried.

Pending Bills:

- DeWild Grant Reckert and Associates Company:
 - General Services = \$2,526.50
 - Comp. Tank Maintenance = \$72.50
- Schramel Law Office:
 - General Services = \$3,976.32
- Kinner & Company Ltd.
 - Oct – December service = \$11,169.00
- Northland Trust
 - Nobles C. Series 2020A = \$175,345.00

M/S Engels/Kling to approve paying pending bills, as presented. Roll call vote: 9 Ayes, 0 Nays, 1 Absent (DeWilde). Motion carried.

Committee Reports:

- **2022 Committee Appointments:** Chairman Weber presented Board Committee Appointments, as follows:

Water Resources/Equipment Committee: Bill Ufkin (Chair), Mitch Kling, Earl DeWilde, and Frank Engels.

Personnel Committee: Randy Kraus (Chair), Brent Feikema, and Peter Petersen.

Budget/Finance Committee: Rod Spronk (Chair), Jerry Lonneman, and Jan Moen.

Lewis & Clark RWS – MN Joint Powers Board Representative: Jerry Lonneman (Acting Director), Brent Feikema (Alternate), Jason Overby (Alternate).

MN Rural Water Association Representative: Rod Spronk (Acting Director), Bill Ufkin (Alternate)

- **Executive Committee:** Nothing to report.
- **Budget and Finance Committee:** Nothing to report.
 - **Personnel Committee:** Kraus reviewed the minutes from the January 18th

meeting with the staff. The meeting went well; employees expressed concerns with wages. There was discussion on the departure of Steve Lovre. Lonneman believes that our benefits are great at LPRW. Schramel asked if a succession plan is in place. GM is working on a succession plan. Chair Weber suggested that position wages be reviewed to make sure that LPRW stays competitive. The Personnel Committee will review and bring back recommendations to the full board.

M/S Kling/Lonneman to approve the minutes from the January 18, 2022 Personnel Committee meeting. Roll call vote: 9 Ayes, 0 Nays, 1 Absent (DeWilde). Motion carried.

- **Water Resources & Equipment Committee:** Nothing to report.
- **Joint Powers Board Representative:** Lonneman reported that all 20 member entities have signed the L&C 15.81 MG Expansion Commitment Agreement.

Other Business:

- Pro-rated cost sharing for connecting cities on the NAWS Project. Commissioner Ufkin recalled that in previous projects, the overall cost of the project is realized, then each individual city share of the total cost is determined, finally the total amount of grant funds as a percentage of the total cost is identified to determine a pro-rated cost share.
- L&C RWS 15.81 MG Expansion Project Commitment Agreement. Presented to Board for record.
- OCRWS – Amended & Restated Agreement. OCRWS has presented LPRW an agreement for the 500,000 gpd additional water purchase. Changes include a capacity fee of \$4.2M for an additional 500,000 gallons per day. LPRW will be required to purchase a minimum of 15 MG per month (up from 5 MG per month); with a new commodity charge of \$2.15 per 1,000 gallons up to 1.7 MG/day, and \$3.25 MG/day if over 1.7 MG/day. The City of Brewster desires a Letter of Commitment from LPRW. Discussions between LPRW, City officials and MSP officials will be scheduled. Schriever discussed OCRWS water quality of water and its blending potential with MSP sources.
- An updated connection cost estimate has been provided to the City of Clarkfield, at the request of their engineer.
- Commissioner Lonneman would like to see LPRW consider splitting capacity units; allowing customers to purchase 25,000 for \$5,000. Item to be discussed at committee level.

Public Comment: Schramel asked Lyon Co Commissioner Rick Anderson about wage increases within his county organization. Anderson indicated the county does not adjust for COLA; but considers wage increases based on performance.

Adjournment: *M/S Kling/Lonneman to adjourn the board meeting at 2:12PM. Roll call vote: 9 Ayes, 0 Nays, 1 Absent (DeWilde). Motion carried.*

Respectfully Submitted,

Randy Kraus, LPRW Board Secretary