

Lincoln Pipestone Rural Water

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Meeting Minutes

January 30th, 2023

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 30th, 2023; and was available for viewing/participating via Zoom video/teleconferencing. The meeting was called to order at 10:00 AM by Board Chair Joe Weber. A quorum was established with Commissioners Frank Engels, Earl DeWilde, Peter Petersen, Mitch Kling, Randy Kraus, Jerry Lonneman, Rod Spronk and Jan Moen (via Zoom) in attendance. Also attending were Enterprise Technician Jodi Greer, General Manager Jason Overby, System Supervisor Tom Muller, Water Operator Kevin Schlechter, Maintenance Technician Tony Pottratz, Nathan Kinner (Kinner and Co.), DGR Engineer Darin Schriever, Lyon County Commissioner Rick Anderson. Also attending via Zoom was Doug Westerman (GM with Osceola County Rural Water System), Logan Smidt (DGR), and Dillon Griebel Osceola Rural Water System Board Member. Absent: Commissioners Brent Feikema and Bill Ufkin, and Board Attorney Ron Schramel.

Agenda: *M/S Kraus/Engels to approve the agenda. Upon roll call, the motion passed unanimously (Absent: Feikema, Ufkin).*

Minutes: *M/S DeWilde/Kling to approve the minutes from the December 2022 Board Meeting. Upon roll call, the motion passed unanimously (Absent: Feikema, Ufkin).*

New Employee Introductions: GM Overby introduced Tony Pottratz, Maintenance Technician and Kevin Schlechter, Water System Operator as new employees to LPRW.

Osceola County Rural Water System Updates: Doug Westerman (GM of OCRWS) gave a presentation regarding a newspaper article alluding to the Ocheyedon River running dry. Also attending was OCRWS Board President Dillon Griebel, and DGR Engineer Logan Smidt. Westerman's presentation included history of Ocheyedon River flows, maps and pumping data from OCRWS production wells, and withdrawals from nearby irrigators and dewatering from local county gravel pit. OCRWS currently has a permitted capacity of 2.25 billion gallons per year, with a maximum daily capacity of 9.4 MGD and a pumping rate of 7,200 gpm. Iowa DNR has included monitoring requirements and stream flow thresholds within the permit stipulations. The article published in the Iowa Capital Dispatch was triggered by a disgruntled former employee of OCRWS. When asked if LPRW should be concerned about the situation since LPRW is requesting an additional 500,000 gpd, both Westerman and Griebel noted they have ample capacity under their current permit and this should not be a concern for LPRW.

Commissioner Ufkin joined the meeting at 10:33am. Westerman, Griebel and Smidt left the meeting after Q/A's were completed.

Operations Report: Muller presented the January 2023 Operations Report. Muller noted that general site maintenance is being performed, deployment of endpoints, and that field staff are rehabilitating another heavy duty pipe trailer. Water temps are around 38-39 degrees, and flushing is occurring at critical areas. Muller mentioned that easements are being generated along the Brewster second connection pipeline route and that crossing permit applications are approved with the exception of the railroad permit. GM Overby presented annual "purchased" water data from 2016-2023.

Engineer's Report: Schriever presented the January Engineers Report. Highlighted information included no new information from USDA-RD regarding NAWS project funding; participated in meeting with AdEdge discussing Biottta; design drawings are done for the Brewster pipeline and meter building, along with an updated cost estimate. Schriever plans to meet with Adrian and Ellsworth to discuss water infrastructure. Tank maintenance plan (CTMP) updates will be provided at the February meeting.

Manager's Report: GM Overby presented the January Manager's Report. Additional items discussed included Brewster cost estimate update and Water Purchase Agreement; general opinions from the Board on mezzanine floor construction for new office/shop, having preference for concrete or wood with a cost increase of approximately \$30,000 for concrete flooring. The consensus of the board was concrete. The Board also was in favor of a Geothermal system.

GM reported on the "Day-on-the-Hill" lobbying trip to the Capital, which included Commissioners Weber, Ufkin, Spronk and Lonneman, along with GM Overby and Lobbyist Sam Krueger. The group was able to meet with Representatives Schomacker, Swedzinski, Urdahl and Senators Weber, Dahms and Pappas. Ufkin strongly suggested everyone to contact area cities to generate support for project funding. Lonneman commented that Schomacker and Weber are strong supporters of both bonding bills. A lobbying report from Sam Krueger was included in the January board packet.

Attorney's Report: Ron Schramel was absent. GM noted that the 2022 Assessment roll has been posted.

< Lunch Break @ 11:57am – resumed at 12:45pm >

Treasurer's Report: Kinner presented the January Treasurer's Report.

M/S Lonneman/Engels to approve the Treasurer's Report, as presented. Upon roll call, the motion passed unanimously (Absent: Feikema).

Paid Bills: Approval of December transactions.

M/S Ufkin/Petersen to approve December payments on checks #9429 through #9597, voided checks 9493, 9507, 9528, 9529, 9530 & 9597. Upon roll call, the motion passed unanimously (Absent: Feikema).

Pending Bills:

- DeWild Grant Reckert and Associates Company:
 - General Services = \$70.00
 - North Area Water Source = \$5,763.50
 - City of Brewster 2nd Connection = \$8,344.00
 - Holland WTP Improvements = \$11,000.00
- Schramel Law Office:
 - General Services = \$3,824.51
- Kinner & Company Ltd
 - 4th Quarter 2022 Services = \$9,903.75
- Northland Trust
 - Nobles County Series 2020A = \$178,095.00

M/S Lonneman/Engels to approve paying pending bills, as presented. Upon roll call, the motion passed unanimously (Absent: Feikema).

Committee Reports:

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

- **Personnel Committee:** Kraus reviewed the minutes from the meeting with staff. There was discussion regarding use of accrued time off banks during severe weather events. Some staff requested the use of sick leave instead of having to use personal, vacation or comp. Lonneman stated if roads are closed our operators should not be at work. The GM did not agree with using sick time for severe weather cancellations.

M/S Ufkin/Lonneman to allow one day a year of paid leave for inclement weather events at the discretion of the General Manager, of which will become policy. Upon roll call, the motion was carried unanimously (Absent: Feikema).

Policy language is to be drafted for review and approval at the February board meeting.

Another item discussed was damage done to an employee's property (garage) by the employee. The claim was submitted to insurance, and insurance carrier denied coverage/payment.

The HSA contribution was discussed. LPRW has an employee over the age of 65 and that has enrolled into Medicare Part A and now unable to receive any HSA contribution due to IRS rules. There is nothing the board can do about this. The Board's contribution to employee HSA accounts, currently at \$1,700, is specifically designated for the high-deductible health insurance coverage plan.

PERA has a new retirement transition option that once an employee reaches age 62, they are allowed to take a Phased Retirement Option (PRO), wherein the employee may receive PERA benefits/payments, and can continue to work in a reduced capacity not to exceed 1044 hours per year for a set number of years. This will need to be discussed at committee level and brought back to the full board.

M/S Spronk/Kling to approve the minutes of the January 17, 2023 Personnel Committee meeting. Upon roll call, the motion was carried unanimously (Absent: Feikema).

- **Water Resources & Equipment Committee:** Nothing to report.
- **MRWA Representative:** Nothing to report.
- **L&C MN Joint Powers Board Representative:** Nothing to report.

Other Business:

- Audit Services. Two proposals were received for FY22 auditing services.

M/S Engels/Lonneman to accept Wohlenberg Ritzman & Co., LLC proposal to perform FY2022 auditing services and to enter into a 3-year engagement option (FY22, FY23 and FY24). Upon roll call, the motion was carried unanimously (Absent: Feikema).

- At the recommendation of the Chair, Board Committee assignments will stay the same for 2023.
- Ufkin inquired about L&CRWS investment strategy. Lonneman commented that L&CRWS Board is not making changes to investment strategy or risk levels.
- MRWA Conference (St. Cloud) registration request. A meeting with USDA-RD representatives will be set up. LPRW is handling the rural water system breakfast this year.

Adjournment: *M/S Lonneman/Kling to adjourn the meeting at 1:56 PM. Upon roll call, the motion was carried unanimously (Absent: Feikema).*

Respectfully Submitted,

Randy Kraus, LPRW Board Secretary