

Lincoln Pipestone Rural Water

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Meeting Minutes

October 25th, 2021

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, October 25, 2021; and was available for viewing/participating via Zoom video/teleconferencing. The meeting was called to order at 10:01 AM by Board Chairman Mitch Kling. A quorum was established with Commissioners Randy Kraus, Jan Moen, Brent Feikema, Peter Petersen, Joe Weber, Bill Ufkin and Rod Spronk in attendance. Attending via Zoom video link was Commissioner Jerry Lonneman. Also attending was Board Attorney Ron Schramel, DGR Engineer Darin Schriever, Finance Consultant Nathan Kinner, Field Superintendent Tom Muller, Enterprise Technician Jodi Greer and General Manager Jason Overby.

Absent were Commissioners Frank Engels and Earl DeWilde.

Agenda: *M/S Spronk/Feikema to approve the agenda, with moving L&CRWS discussion items from Other Business to before the Engineers Report. Aye – 8, Nay – 0, Absent – 2 (Engels, DeWilde). Motion carried.*

Minutes: *M/S Ufkin/Weber to approve the minutes from the September 2021 Board Meeting. Aye – 8, Nay – 0, Absent – 2 (Engels, DeWilde). Motion carried.*

L&C Discussion: *(item moved with agenda approval)*

- L&C Expansion Commitment Agreement.

M/S Ufkin/Moen approved the signature of the L&C expansion commitment agreement. All in favor. Motion carried.

- L&C Investments. Commissioner Ufkin questioned how L&C invested their funds. Commissioner Lonneman stated that the ARCA agreement guides investments and that the L&C Board votes on the risk level of investment. A risk scale of 1-10 is used; with current L&C board-approved investment risk level set between 4-5. Some LPRW commissioners expressed concerned with this and would like to have some guaranteed principal for the funds LPRW has given them. Ufkin suggested some sort of resolution requesting L&C investments placed in protected accounts. Attorney Schramel suggested writing a letter to L&C requesting such. The board directed Commissioner Lonneman to reach out to Troy Larsen (L&CRWS Ex Dir.) with questions and get more information before further action is taken. Commissioner Ufkin also asked about the fiduciary responsibility that each L&C Member Director has.

- Resolution in Support of the ARPA Funding Request Made by the C&CRWS for Its Expansion to 60 MGY, Nobles County, MN.

M/S Weber/Petersen to approve the Resolution in Support of the American Rescue Plan Funding Request Made by the Lewis & Clark Regional Water System for its Expansion to 60 Million Gallons Per Day, Nobles County, Minnesota. Aye – 8, Nay – 0, Absent – 2 (Engels, DeWilde). Motion carried.

Commissioner Lonneman left the meeting.

Engineer’s Report: Darin Schriever presented the Engineering Report for October. Schriever highlighted the following items in his report:

- CIP Projects: Two projects are in warranty periods; expect the Lincoln PS Improvements wherein Thompson is waiting for VFDs to ship.
- CTMP: Warranty inspection had occurred on the Chandler Tower. Work to be done in 2022 for Minneota Tower, Edgerton Tanks and Lynd Tower.
- Cities: Working with LPRW and Rushmore engineers on meter building design. OCRWS has unofficially supported the sale of approximately 500,000 gallons to LPRW. Schramel suggested amending current agreement with OCRWS rather than creating a second, separate contract.
- NAWS: RD has reviewed and provided feedback with the PER and ER. Items will be addressed.
- New Office/Shop development was discussed. Commissioner Weber mentioned that a new wetland was discovered within the proposed site. Schriever will investigate further.

Operations Report: Supervisor Tom Muller presented the October Operations Report. There was discussion about the large number of hookups this year and status of remaining hookups to be installed. Muller noted another 8” mainline leak north of Edgerton. Kinner remarked on the approximate \$3,000 in customer late charges per month. There were 12 ownership transfers this month. Tom complemented Barb Powell on cutting down the number of monthly disconnects.

Manager’s Report: GM Overby presented the October Manager’s Report. GM discussed the City of Florence and how they may seek LPRW to take over more than just the billing and how other small cities we serve have been asking for more assistance. Commissioner Ufkin recommended designing an agreement that encompasses it all. Overby asked the Commission if a policy should be created to designate an specific

account for any ARPA funding that is received from various governmental entities. A recording/tracking system has been set up already to track revenues/expenses. No action was taken.

Holland CRP – There is a maximum payment issue with one CRP contract with FSA. Working with the renter, we have inquired to FSA options to resolve issue. If the FSA and the renter cannot get this resolved, the consensus of the Board is LPRW will take the \$4,097.68 shortfall this year only, but issue will need to be rectified going forward.

[Lunch Break – 12:00p to 12:30p]

Attorney’s Report: Schramel will be addressing the Groeneweg connection issue; as well as working on 2021 hookup assessments.

Treasurer’s Report: Kinner presented the Treasurer’s Report for October. Kinner discussed segregating out usage charges from the base charge for rural customer to identify actual usage and compare with municipal usage more readily.

M/S Weber/Kraus to approve the Treasurer’s Report, as presented. Aye – 7, Nay – 0, Absent – 3 (Engels, DeWilde, Lonneman). Motion carried.

Paid Bills:

M/S Feikema/Kraus to approve payment on checks #7565 – 7712, excluding voided check #7644. Aye – 7, Nay – 0, Absent – 3 (Engels, DeWilde, Lonneman). Motion carried.

Pending Bills:

- DeWild Grant Reckert and Associates Company:
 - General Services = \$6,053.50
 - New Office = \$3,322.45
- Schramel Law Office:
 - General Services = \$1,959.60
- Kinner & Company Ltd
 - July – September Services = \$3,281.50

M/S Ufkin/Petersen to approve paying pending bills, as presented. Aye – 7, Nay – 0, Absent – 3 (Engels, DeWilde, Lonneman). Motion carried.

Committee Reports:

- **Executive Committee:** Nothing to report.
- **Personnel Committee:** Commissioner Kraus reviewed the minutes from the meeting.

- Employee Health Insurance Coverage.

M/S Weber/Kraus to approve the 2-year renewal with MN PEIP for employee health insurance. Aye – 7, Nay – 0, Absent – 3 (Engels, DeWilde, Lonneman). Motion carried.

- Position Wages/Market Analysis. GM discussed wage analysis review and falling behind in starting wages as compared to market trends for related positions. Commissioner Ufkin asked about cost-of-living increase. Kinner reviewed the matrix for the increase in wages. Attorney Schramel stated that the employees are the company's greatest asset. Commissioner Spronk recommended increasing it 2.5% higher than the increase recommended by the GM.

M/S Feikema/Spronk to set the starting wages as follows:

Water Operator - \$19.13

Supervisor - \$26.44

Treatment Plant Operator - \$22.00

Maintenance Tech - \$21.15

WR/GIS Tech - \$21.94

Enterprise Tech - \$19.89

Billing Clerk – \$18.21

Accounting Clerk/Bookkeeper - \$18.80

Aye – 7, Nay – 0, Absent – 3 (Engels, DeWilde, Lonneman). Motion carried.

- Sick Leave Policy Change.

M/S Ufkin/Spronk to approve the Committee recommendation to drop current family sick leave policy language and cap of 72 hours and adopt language relating to MN Statute 181.9413, as described below:

“Eligible employees may use up to 160 hours of sick leave in any 12-month period for absences due to an illness of or injury to the employee’s adult child, spouse, sibling, parent, grandparent, stepparent, parent-in-law (mother or father-in-law), and grandchild (includes step-grandchild, biological, adopted, or fostered grandchild).

Aye – 7, Nay – 0, Absent – 3 (Engels, DeWilde, Lonneman). Motion carried.

M/S Spronk/Moen to approve the minutes of the October 12th Personnel Committee meeting. Aye – 7, Nay – 0, Absent – 3 (Engels, DeWilde, Lonneman). Motion carried.

- **Budget and Finance Committee:**

M/S Feikema/Petersen to approve the minutes from the October 21st Budget-Finance Committee meeting. Aye – 7, Nay – 0, Absent – 3 (Engels, DeWilde, Lonneman). Motion carried.

Review of the FY2022 Preliminary Budget by Kinner. Changes and final numbers will be provided for approval at the November meeting.

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

Other Business:

- Municipal/Rural Hookup Cost Evaluation. Commissioner Ufkin requested that DGR analyze and report the cost/gallon for source and treatment (excluding pipeline costs) for the NAWS.

Public Comment: None

Adjournment: *M/S Feikema/Kraus to adjourn the board meeting at 2:23 PM. Aye – 7, Nay – 0, Absent – 3 (Engels, DeWilde, Lonneman). Motion carried.*

Respectfully Submitted,

Randy Kraus, LPRW Board Secretary