

# **Lincoln Pipestone Rural Water**

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## **Meeting Minutes**

**December 27th, 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, December 27, 2021; and was available for viewing/participating via Zoom video/teleconferencing. The meeting was called to order at 9:00 AM by Board Chairman Mitch Kling. A quorum was established with Commissioners Randy Kraus, Jan Moen, Jerry Lonneman, Earl DeWilde, Frank Engels, Brent Feikema, Pete Petersen, and Joe Weber in attendance. Also attending was Nathan Kinner (Kinner and Co.), Enterprise Technician Jodi Greer, System Water Operator Don Drietz, General Manager Jason Overby, and Lyon County Commissioner Rick Anderson. Commissioners Rod Spronk and Bill Ufkin, and System Supervisor Tom Muller arrived later in the meeting.

**Agenda:** *M/S DeWilde/Engels to approve the agenda. Ayes – 8, Nays – 0, Absent – 2 (Ufkin, Spronk). Motion carried.*

**Minutes:** *M/S Feikema/Lonneman to approve the minutes from the November 2021 Board Meeting. Ayes – 8, Nays – 0, Absent – 2 (Ufkin, Spronk). Motion carried.*

**Engineer's Report:** Schriever's written report was presented in his absence. GM responded to questions regarding the status of the City of Rushmore Water Purchase Agreement and construction expectations.

Commissioner Ufkin arrived at the meeting. Supervisor Tom Muller arrived at the meeting.

**Operations Report:** Operations Report for December was presented. Commissioner Ufkin inquired about moving pipe along the Hwy 68 road project. Drietz highlighted a couple of areas that pipe will need to be lowered or relocated. Commissioner Weber asked about nitrate levels at Holland WTP. Nitrates in finished water is continuously monitored at Holland and was recently recorded at 8.5 ppm. Muller mentioned three wells at Holland are turned off. Commissioner Engels commented on pursuing BIOTTTA treatment to address these levels.

**Manager's Report:** GM Overby presented the December Manager's Report. Commissioner Ufkin requested that communication occur with City of Dawson on their interest in connecting to LPRW.

Commissioner Spronk joined the meeting via Zoom connection.

**Attorney's Report:** Schramel noted that the Assessment Hearing is scheduled for January 5<sup>th</sup> with the District Court Judge. As of November 1<sup>st</sup>, a total of 84 connections consisting of 74 assessed hookups and 10 pre-paid hookups. Additional pre-pays are

expected prior to assessment deadline. Construction costs for 2021 member hookups will be finalized and available in February.

**Treasurer's Report:** Nathan Kinner reviewed the Treasurer's Report for December 2021.

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

Paid Bills:

*M/S Lonneman/Moen to approve payment on checks #7818-#7949, excluding voided check #7940. Motion carried unanimously.*

Pending Bills:

- DeWild Grant Reckert and Associates Company:
  - General Services = \$3,959.50
  - Comp. Tank Maintenance = \$1,668.92
  - North Area Water Source = \$61.00
  - New Office Development = \$179.00
- Schramel Law Office:
  - General Services = \$3,570.00

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

**Committee Reports:**

- **Executive Committee:** Nothing to report.
- **Budget and Finance Committee:** Nothing to report.
- **Personnel Committee:** Minutes from the November 29<sup>th</sup> meeting were presented for approval.

*M/S Weber/Feikema to approve the minutes of the November 29<sup>th</sup> Personnel Committee meeting. Motion carried unanimously.*

- **Water Resources & Equipment Committee:**

Water Treatment Plant Site Option. Bryon Lundy was in attendance to discuss options with LPRW for possible land exchange (i.e. 1031 exchange) on property he currently owns with property he has identified and likely will soon acquire. Mr. Lundy owns a parcel that LPRW is considering for a possible water treatment plant site. A phone call was made to USDA-RD representative Megan Gernentz to determine how land acquisition would work prior to RD funding. Creating an Option to Purchase, as well as an Exploration Easement to gather results from soil

borings is the best route, but still possess risk to LPRW when purchasing prior to being funded. Gernentz recommended that a motion to the effect addresses specifically the purchase is for North Area Water Source Development Project.

*M/S Engels/Petersen to authorize Ron Schramel (legal counsel) to enter into an Exploration Agreement with Bryon Lundy, and to enter into a Purchase Agreement with Bryon Lundy for 25 acres, more or less, at a price of \$20,000.00 per acre, contingent upon boring results and Environmental Review requirements; and to compensate Bryon Lundy for costs associated with a Reverse 1031-Exchange, as opposed to a traditional 1031-Exchange. This action is being done to meet the requirements of site selection for a water treatment plant as part of LPRW's North Area Water Source Development Project. Motion carried unanimously.*

Kling recommended for staff and DGR to check out all environmental and local issues.

Lukken Well Site. The Purchase Option on the Nicholas Lukken property has expired. Lukken has expressed interest in selling the whole property, approximately 9.79 acres, to LPRW. Current assessed value was identified as \$38,300. Dreitz said the landowner would not do another extension of the current agreement.

*M/S Weber/Ufkin to offer Nicholas and Amy Lukken \$40,000 for the approximate 9.79-acre property for development of a production well site as part of the North Area Water Source Development Project. Motion carried unanimously.*

Dennis Blomgren Farmsite. LPRW back in 1980's, pipeline was placed across his property to reach Robert Bornhoft residence. Mr. Blomgren claimed to have a verbal agreement to allow purchase of a water hookup on that property for the price at that time (\$4,995). LPRW does not have any record of such an agreement. It was the Boards consensus that Mr. Blomgren would need to show proof of such agreement.

New Office/Shop. Commissioner Weber provided information regarding discussions at the city/EDA level.

*M/S Feikema/Lonneman to approve the minutes of the December 16<sup>th</sup> WR/E Committee meeting. Motion carried unanimously.*

- **Joint Powers Board Representative:** Commissioner Lonneman noted that all 20 members of L&CRWS have signed and will participate in the 15.81MGD Expansion project. L&C has applied for additional infrastructure funding to help with payoff to States and expansion.

### **Other Business:**

- City of Rushmore Water Purchase Agreement.

*M/S Lonneman/Moen to approve the revised Water Purchase Agreement with the City of Rushmore. Motion carried unanimously.*

- Election of 2022 Board Officers. Schramel administered the election procedures while the GM conducted voting roll call.

Chair: *Ufkin nominated Joseph Weber for Chair. With no other nominations, nominations ceased. Upon roll call for Joseph Weber as Chair, Aye: 10, Nay: 0. Motion carried.*

Vice-Chair: *Kling nominated Bill Ufkin for Vice-Chair. Engels nominated Randy Kraus for Vice-Chair. Petersen nominated Jan Moen for Vice-Chair. With no other nominations, nominations ceased. Upon written ballot, voting as follows: Ufkin – 4 votes, Kraus – 4 votes, Moen – 3 votes. A re-vote for the nominees with highest vote tally was conducted. Results of revote as follows: Ufkin – 7 votes, Kraus – 4 votes. Ufkin to serve as Vice-Chair. Motion carried.*

Secretary: *Feikema nominated Randy Kraus for Secretary. Kling nominated Feikema for Secretary. With no other nominations, nominations ceased. Upon written ballot, voting as follows: Kraus – 8 votes, Feikema – 3 votes. Kraus to serve as Secretary. Motion carried unanimously.*

Treasurer: *Lonneman nominated Rod Spronk for Treasurer. Kling nominated Lonneman for Treasurer. With no other nominations, nominations ceased. Lonneman requested to withdrawal his nomination. Spronk as sole nominee to serve as Treasurer, Aye: 10, Nay: 0. Motion carried unanimously.*

Newly elected Chair Weber will select commission members to represent on various board committees in January.

- Commissioner Engels desires to have another TV/Video screen within the Board room.
- Lonneman mentioned that the Minnesota Joint Powers Board (JPB) is intending to pursue funding with the State of Minnesota after L&C has paid back the advancements that each State(s) contributed to the project. This is to secure funding for the expansion with L&C.

**Public Comment:** Rick Anderson gave appreciation to the LPRW Board for all they do and for the opportunity to serve as liaison with Lyon County Commission.

**Adjournment:** *M/S Kraus/Feikema to adjourn the board meeting at 11:58AM. All in favor. Motion carried.*

Respectfully Submitted,

Randy Kraus, LPRW Board Secretary