

Lincoln Pipestone Rural Water

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Meeting Minutes

June 27, 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, June 27, 2022; and was available for viewing/participating via Zoom video/teleconferencing. The meeting was called to order at 5:03 PM by Board Chair Joe Weber. A quorum was established with Commissioners Bill Ufkin, Frank Engels, Randy Kraus, Brent Feikema, Pete Petersen, Jan Moen, Jerry Lonneman, Rod Spronk, Mitch Kling, Earl DeWilde in attendance. Also attending was Enterprise Technician Jodi Greer, General Manager Jason Overby, System Supervisors Patrick McCarthy and Tom Muller, DGR Engineer Darin Schriever, Nathan Kinner (Kinner and Co.), Board Attorney Ron Schramel and Lyon County Commissioner Rick Anderson.

Agenda: *M/S Engels/ Moen to approve the agenda. Motion carried unanimously.*

Minutes: *M/S DeWilde/Feikema to approve the minutes from the May 2022 Board Meeting. Motion carried unanimously.*

Engineer's Report: Schriever presented the June Engineers Report. Items discussed in detail included:

- **NAWS PER.** Update on the North Area Water Source PER and that the overall project cost is roughly 50% more than it was when started. System growth rate of 2.6% per year (1-1.5% without expansion). Schriever covered system water demands; maps of proposed transmission lines, interested users/towns, Burr storage, Boyd WTP site and other system improvements; and project funding breakdown. Due to extensive additional work on the PER, Schriever has requested an amendment to the original 2017 Engineering Services Agreement, which included a \$30,000 payment for services rendered.

M/S Ufkin/Lonneman to approve the Amendment #1 of the Engineering Services Agreement for North Area Water Source – Preliminary Engineering Report. Motion carried unanimously.

- **Engineering Services – Master Agreement.** Schriever discussed a Master Agreement for all engineering services rendered. Ron Schramel reviewed and suggested removing paragraph 5.1 concerning liability limits; and declared the rest of the agreement suitable. Schriever will have DGR officials consider the change and will revisit this next month. Task Order #1 (Continuing General Services) and #2 (Rushmore Connection) were put on hold until next month.
- **City of Brewster.** Brewster has been given an updated cost estimate. Management needs to verify with OCRWS if a deadline date for their offer exists. The allocation from OCRWS would go from 1.2 MGD to 1.7 MGD. Brewster will need to pay in full for LPRW to move forward with a signed amended/revised agreement with OCRWS.

- Office/Shop. Six architecture firms submitted RFPs for the new office/shop.
- L-CRR. The new lead-copper rule revision will require public water suppliers to know what pipe material is in our customers' homes.

Operations Report: The Operations Report for June was presented. Edgerton storage tanks were assessed – both in great condition. Holland nitrates are holding very high. Staff may consider alternative measures to reduce nitrate levels. Updates were provided on the TH68 Road Project with MnDOT. Due to high usage/demands, L&CRWS has requested all its members to manage delivery to their maximum daily allocation. Staff are fine tuning delivery between our two purchased water sources.

Manager's Report: GM Overby presented the June Manager's Report. GM noted operational changes at Holland WTP to manage elevated nitrate levels; and the fully signed Farm Lease Agreement between the City of Lake Benton, Tom and Mary Gunnink and LPRW for the Johnson Annex parcel.

Attorney's Report: No report.

Treasurer's Report: Kinner reviewed the Treasurer's Report for June. Kinner noted rising interest rates with investment accounts and rates for CD's.

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

Paid Bills:

M/S Ufkin/Engels to approve payment on checks #8586 through #8709, excluding voided checks #8655, 8657, 8696. Motion carried unanimously.

Pending Bills:

- DeWild Grant Reckert and Associates Company:
 - General Services = \$2,460.96
 - North Area Water Source = \$1,642.46
 - Tank Maintenance = \$152.00
- Schramel Law Office:
 - General Services = \$1,421.10
 - North Water Source = \$1,172.50
- US Bank
 - Yellow Medicine 2016A = \$35,631.25

M/S Lonneman/Feikema 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:** Nothing to report.

- **Water Resources & Equipment Committee:** Ufkin reviewed committee minutes.
 - Half-Capacities. Half-capacities were discussed and determined that not enough interest from customers. No change(s) to current policy.
 - Hook-up Costs. Material costs, construction expenses and overall hook-up costs associated with a 1,500' service and a 300' service were reviewed. Recommendation was made by the committee to reduce pipe footage allocation for a standard rural connection from 1,500 feet to 300 feet and eliminate allocations for bores.

M/S Kling/Engels to approve the Committee's recommendation that the pipe footage allocation for a standard rural water hookup be reduced from the current 1,500 feet to 300 feet, and any bores as part of the hookup be charged to the customers. This policy change is to be effective June 28th, 2022, with exception of those outstanding cost estimates generated within the 30-day quote window. Motion carried unanimously.

- Large Equipment Purchase. Quote obtained through Sourcewell bid process for a 2022 Bobcat T76 Compact Track Loader (skidsteer). Cost of unit with bucket is \$75,370.32. Committee recommended moving forward with purchase.

M/S Feikema/Moen to proceed with the purchase of the 2022 Bobcat T76 Compact Track Loader (skidsteer). Motion carried unanimously.

- Disconnect/Reconnect Charges for Non-Payment. Committee recommended increases to during-hour and after-hour charges for disconnect/reconnect for non-payments.

M/S Ufkin/Spronk to increase the disconnect /reconnect charges for non-payment to \$75 (during hours) and \$200 (after hours), respectively. Motion carried unanimously.

- Architectural Firm Selection (Office/Shop Complex). Six architectural firm proposals were submitted and reviewed. Committee narrowed selection down to two firms: DesignArc Group and RSA, Inc. On-site presentation/Q&A sessions will be requested from each for final selection. Ufkin suggested the Budget-Finance Committee meet to consider costs for the new office.

M/S Lonneman/DeWilde to have the Water Resource-Equipment Committee interview the DesignArc Group and RSA, Inc. Motion carried unanimously.

M/S Kraus/Kling to approve the minutes from the June 22, 2022, Water Resource-Equipment Committee meeting. Motion carried unanimously.

Lonneman asked if capacity unit charges will be adjusted. Engels indicated that no change for now, but may have to be reviewed further.

- **Joint Powers Board Representative:** L&CRWS is eagerly waiting for SD's ARPA funding and IJJ funding.

Other Business:

- Amendment to Employee Benefits – Life Insurance coverage 60-day grace period for implementation.

M/S Kling/Feikema to approve changes to the Life Insurance Policy benefit to go into effect after 60 days of employment for new hires. Motion carried unanimously.

- Farm Lease Agreement with Bryon Lundy.

M/S Kling/Moen to approve the Farm Lease Agreement with Bryon Lundy for the 2022 growing season. Motion carried unanimously.

- LPRW – City of Dawson Water Supply Agreement. GM Overby reviewed notification letter from the City of proposed amendments to the original agreement. GM provided historical perspective of the interconnect and the agreement language. Schramel described current obligations of the agreement, including termination requirements. Board suggested an in-person meeting with City officials/administration to discuss.

Public Comment: Lonneman shared incident of recent storm damage and advised everyone to consider checking their own personal insurance coverage limits on property.

Adjournment: *M/S Feikema/Kling to adjourn the meeting at 8:57pm.*

Respectfully Submitted,

Randy Kraus, LPRW Board Secretary