

Resolution # _____
XENIA RURAL WATER DISTRICT
May 25, 2010 – 7:00 PM – Bouton Office
Regular Board Meeting Minutes

Board Members Present: Larson, Pierce, Rinehart, Fevold, Tomenga, Hayer, Wilson

Board Members Absent: None

Staff Present: DeLong, Clay, Iben, Cooper, Lyons, Christianson

Others Present: Mike Abbott – Belin McCormick

Guests Present: Lindsey Mutchler – Fort Dodge Messenger, Sandy Neal, Terry McClure

Call to Order

Tomenga called the meeting to order.

Approve Agenda

Motion #051011 made by Pierce, seconded by Fevold, to introduce and approve the May 25, 2010 Agenda presented. Motion passed. No dissenting.

Approve Minutes

Motion #051012 made by Rinehart, seconded by Pierce to approve April 28, 2010 Regular Board Meeting Minutes and May 13, 2010 Special Board Meeting Minutes. Motion passed. No dissenting.

Xenia Economic Development Corp

Motion #051013 made by Rinehart, seconded by Pierce to keep officers for Xenia Economic Development Corp the same as those for Xenia Rural Water District. Motion passed. No dissenting.

April Financial Reports

Statement of Revenue, Expenses, and Changes in Net Assets

Clay reviewed the financial statements.

Statement of Cash Flow

Accounts payables saw increase due to professional fees.

Operating Checking

Tomenga would like to see a different presentation of the Operating Checking account. Identify any unusual payments.

Statement of Budget, Income & Equity

Form from the USDA needed to wait for budget to be approved prior to completion of this form.

Motion #051014 made by Pierce, seconded by Wilson to introduce and approve financial statements. Motion passed. No dissenting vote.

New Customers/Water User Agreements/Occupant Deposit Listing/Voluntary Terminations

Clay summarized the reports. 52 residential accounts changed hands, 6 new members connected to the system while 6 customers terminated service.

Management & Operation Reports

DMWW Proposed Sale Due Diligence Update- DeLong stated that DMWW is working on a new proposal, but no definite timeframe has been given for its completion. Iben has provided DMWW with all information that has been requested for their due diligence.

Bulk User Update – A rate increase for the 2 bulk communities was built into the operating budget for 2010. DeLong will review and finalize the adjusted rates consistent with the contract agreement language. Both purchasers will be notified within the next 2 weeks, to put the 120 day notice period into effect.

Attorney & Engineering Fees Summary - DeLong reviewed the legal and engineering bills.

RW Beck Visit Update – They are scheduled to visit the Xenia office from June 2nd-4th. Iben to coordinate visit and information requests. Initial visit by Beck was more financial based, the next visit is operation and cost based.

Woodward Treatment Plant Update - Christianson reviewed the operations of the Woodward Plant. Ammonia levels have risen in the source water which helped contribute to the nitrate issue the District had in February. Changes have been made to the chlorination process to combat the problem. Spoke about potential telemetry updates that are needed for the plant. Estimated cost is around \$50,000.

Equipment Status Update – Cooper reviewed what he deemed as vital equipment to keep the District operational. The District has excess equipment to sell, but have been put on hold by creditors.

USDA and Series 2006 6/1 Debt Payment Proration - The Board discussed the debt payment that was due June 1st for the Series 2006 bond issuance. Clay and DeLong spoke with Bond Counsel on most appropriate payment.

Motion #051015 made by Fevold, seconded by Pierce to approve transfer of \$940,012 out of capital fund to make payment for the bond. Motion passed. No dissenting vote.

Motion #051016 made by Rinehart, seconded by Fevold to approve payment of \$1,799,519 to Wells Fargo Corporate Trust Services for the Series 2006 Bonds and \$399,375 to USDA RD. Motion passed. No dissenting vote.

B of A and Capmark Note Payments - Clay reviewed draft future wastewater debt payments.

Attorney Report

Board went into closed session to discuss potential litigation items.

Old Business

Reviewed the Interim Executive Director Resolution.

New Business

Chairman Tomenga wants the Executive Committee to meet and discuss the future need for outside counsel and which firm to utilize.

Also the Executive Committee to meet to discuss ways to move forward with getting a conclusion to the financial problem.

Open Forum

Terry Lutz from McClure Engineering addressed the Board wanting to move forward with an asset purchase of the Worth County assets held by Xenia. Mr. Lutz wanted to know whom he could work with to get the potential sale moving forward.

Adjournment

Motion #051017 made by Pierce, seconded by Fevold, to approve adjournment of the meeting. Motion passed. No dissenting vote.

Xenia Rural Water District, Secretary

Date