

Resolution # _____
XENIA RURAL WATER DISTRICT
August 26, 2010 – 7:00 PM – Bouton Office
Regular Board Meeting Minutes

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

Board Members Absent: None

Staff Present: DeLong, Clay, Iben, Cooper

Others Present: Harold Jensen, Lindsey Mutchler, Mike Abbott

Call to Order

Tomenga called the meeting to order.

Approve Agenda

Motion #081001 made by Rinehart, seconded by Fevold, to introduce and approve the August 26, 2010 Agenda presented. Motion passed. No dissenting.

Approve Minutes

Motion #081002 made by Pierce, seconded by Wilson to approve July 22, 2010 Board Meeting Minutes. Motion passed. No dissenting.

Tomenga added an additional item to the agenda, the recent elevated nitrite issue in the Woodward System, which was to be discussed immediately. All members approved the agenda item. DeLong updated the board of the cause and status of the drinking water warning that was given to the media earlier in the day.

It was asked by Fevold if this was the same location and DeLong noted it was in a different portion of the Woodward System. Prior issues were in the southern portion, where the new sample was in the northern portion. DeLong mentioned potential upgrades may be needed at the Woodward Plant to help eliminate the problem.

July Financial Reports

Statement of Revenue, Expenses, and Changes in Net Assets

Clay reviewed the June Financial Statements. He noted that outside service work revenue was up 18% over budget, while wholesale and commercial water sales were down 11% & 16.8% respectively compared to budget.

Statement of Cash Flow

Clay reviewed the statement of cash flow and noted cash increased \$503,832 during the month of July giving the District an end of the month cash balance of \$2,872,833.

Motion #081003 made by Fevold, seconded by Pierce 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 and noted that the District's net gain on customers in the system up 3 year to date. 28 members have been added to the District while 25 have departed. Clay

highlighted that as of the Public Hearing from July of 2009, the district has lost 48 customers, of which 35 were users who used less than 1,000 gallons per month.

Motion #081004 made by Pierce, seconded by Fevold, to approve new customers/water user agreements. Motion passed. No dissenting vote.

Revenue, Operations & Maintenance, Sinking Fund Allocations – Clay reviewed the transactions that will take place in September to transfer monies into the sinking and operating funds. \$545,315 will be moved from the Revenue fund into the Operations and Maintenance Fund and \$397,647 from the Revenue fund into the Sinking fund.

Motion #081005 made by Pierce, seconded by Fevold, to approve allocation \$545,315 from the Revenue fund into the Operations and Maintenance Fund and \$397,647 from the Revenue fund into the Sinking fund.. Motion passed. No dissenting vote.

Management & Operation Reports

Attorney and Engineering Fees – DeLong reviewed the bills from July for engineering and legal services.

Surplus Asset Sale Update – DeLong updated the board in regards to excess asset sales of the District. Land appraisals had been preformed 2 years ago and are in the process of being updated. Excess equipment and materials are being advertised in the September issue of Rock & Dirt. If sufficient interest does not occur from the advertisements, the District may look at local auction options for the disposal of some equipment.

Winn/Worth Asset Sale Update – DeLong apprised the board on the progress of the asset evaluation that is being conducted by Snyder & Associates. He hopes to have the report from the consultant by the next board meeting.

Capital Projects Plan Update – DeLong summarized details from meetings he and staff have had with Bartlett & West Engineers as it relates to the District's "supply and demand" for the current water system. The District will be utilizing analysis provided by the consultants to aid in the 2011 budget.

Business Plan Control Log Q&A – DeLong provided a spreadsheet to the board regarding staffs efforts in improving the day to day operations of the District. No questions were asked by Board Members regarding the log book.

Hawkeye Menlo LLC Ethanol Plant Sale– DeLong reported to the board that the ethanol plant in Menlo had been sold at the request of the lender of the project. DeLong will review the contract with the plant to determine the effect of the sale on the District.

Old Business

Tomenga explained that a background check will be performed by an outside firm, Infomart, on management and executive committee as it relates to funds management.

New Business

None

Open Forum

None

Executive Closed Session – The Board and Executive Director went into closed session to discuss various legal matters.

Adjournment

Motion #081006 made by Fevold, seconded by Larson, to approve adjournment of the meeting. Motion passed. No dissenting vote.

Xenia Rural Water District, Secretary

Date