

Resolution # _____
XENIA RURAL WATER DISTRICT
January 20, 2011 – 6:00 PM – Bouton Office
Regular Board Meeting Minutes

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

Board Members Absent: None

Staff Present: DeLong, Clay, Iben, Christianson

Others Present: Stan Thompson (Assured Rep), Randy Hildreth (USDA), Lindsay Mutchler (Fort Dodge Messenger), Brad Pleima (Bartlett & West), Brian Hoellein (Bartlett & West)

Call to Order

Tomenga called the meeting to order.

Approve Agenda

Motion #011101 made by Pierce, seconded by Fevold, to introduce and approve the January 20, 2011 Agenda presented. Motion passed. No dissenting.

Approve Minutes

Motion #011102 made by Rinehart, seconded by Pierce to approve December 30, 2010 Board Meeting Minutes. Motion passed. No dissenting.

November Financial Reports

Statement of Revenue, Expenses, and Changes in Net Assets

Clay reviewed the billed water report. The District sold 90,900,979, or 6.6% fewer gallons in 2010 compared to 2009, but realized an increase in revenue of \$1,097,273 or 13%. Clay then highlighted the statement of revenue. Total operating revenue for the month was \$872,071 which is a decrease of 3.8% from November. There was a decrease in net assets of \$351,139 for the month.

Statement of Cash Flows

Clay reviewed the statement of cash flow and noted cash increased \$184,762 during the month of December giving the District an end of the month cash balance of \$2,435,368.

Revenue, Operations & Maintenance, Sinking Fund Allocations – Clay reviewed the transactions that will take place in February to transfer monies into the Sinking and Operating & Maintenance funds. \$385,947 will be moved from the Revenue fund into the Operations and Maintenance Fund and \$380,971 from the Revenue fund into the Sinking fund.

Motion #011103 made by Wilson, seconded by Fevold to introduce and approve financial statements and the funds transfer. Motion passed. No dissenting vote.

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

Clay summarized the reports and noted the District has completed 9 new water service connections and had 5 members terminate water service during the month. Year to date, the District has had a net increase of 23 customers.

Motion #011104 made by Pierce, seconded by Rinehart, to approve new customers/water user agreements. Motion passed. No dissenting vote.

Management & Operation Reports

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

RTK of Iowa Lease Agreement Amendment – DeLong reviewed the letter received from Ogden Telephone Company that would terminate the lease for RTK to locate transmitting and receiving antennas on eight of Xenia's water towers by December 1, 2011. DeLong asked for the board's approval to sign an agreement drafted by Xenia's attorneys to terminate the lease agreement. The District will look into future rental agreements in the future for antennas on the existing water towers.

Motion #011105 made by Wilson, seconded by Pierce, to approve the authorization of Marc DeLong to execute the termination of the lease agreement with RTK of Iowa. Motion passed. No dissenting vote.

CIP Report Q&A – Tomenga commended Bartlett & West on the report that had been presented to the Board at the December 30th board meeting. Hayer asked staff of Bartlett & West to clarify numbers that were in the report, most notably the growth numbers for Dallas County. Brad Pleima explained the numbers had been scaled back from the higher growth numbers that were provided by Dallas County Development Alliance. The numbers were to project the anticipated growth in rural Dallas County.

Capital Improvement Project Approval Resolution – DeLong prefaced the discussion about potential improvement costs being due to existing water quality warnings in the Woodward system. Hoellein reviewed the cost analysis for improvements to the Woodward Treatment Plant and distribution system, the Madrid North Pump Station and the Stratford Treatment Plant. DeLong recommended moving forward on Phase 1 on all four projects.

Motion #011106 made by Fevold, seconded by Larson, to approve the resolution authorizing Marc DeLong to proceed with Phase 1 of the Capital Improvement Plan. Motion passed. No dissenting vote.

Business Control Log – DeLong reviewed the Business Control Log and highlighted the progress on the projects. DeLong extensively reviewed the new cost reporting system designed by staff.

Surplus Assets Sale Update -

Winn-Worth Water/Wastewater Sale Status - DeLong anticipates receiving a final offer from Worth County by the end of January and will then be reviewed by the Districts Counsel. A tentative closing date of mid-April is anticipated.

Van Meter Land Parcels Sale Status – Anticipated March 1st closing date.

Pipe and Parts on Gov Deals – DeLong noted the District is seeing high interest in the items listed through Gov Deals.

Equipment – DeLong has met with Mr. Hillpiper of EMA and will be reviewing all the equipment next week. EMA and Richie Bros Auctioneers will submit proposals for the sale of surplus equipment. The District would like to have the process of selling surplus equipment by June 1st.

USDA Debt Workout Proposal Update – Tomenga updated the general public at the meeting about the progress of the Debt Workout Proposal. A draft proposal has been sent to the District’s primary creditors for their review and input. Tomenga and DeLong have been in communication with all parties involved. Timeline for finalization of the proposal is unknown.

Board Elections Planning – Three current board members are up for re-election (Pierce, Fevold and Larson). Tomenga appreciates the work that the board has put into the District recently and would like to see the board members run for re-election. Governance Committee will meet to discuss the election process for board candidates.

Old Business

Adoption of Investment Policy – discussion was tabled at the previous board meeting and remains tabled until the February board meeting. Clay is working with Hayer to update the policy.

Resolution of Approved Financial Institutions as Depositories - Iben updated the board on communication with the financial institutions ensuring proper coverage on deposited funds. The funds are insured.

New Business

Tomenga proposed the idea of having a public hearing once the Debt Workout Proposal becomes public.

Open Forum

None

Motion #011107 made by Fevold, seconded by Rinehart, to enter into Executive Closed Session. Motion passed. No dissenting vote.

Motion #011108 made by Larson, seconded by Wilson, to end the Executive Closed Session. Motion passed. No dissenting vote.

Motion #011109 made by Hayer, seconded by Pierce, to approve the continued resolution of the 2010 Operating Budget until the completion of the Debt Workout Proposal. Motion passed. No dissenting vote.

Motion #011110 made by Wilson, seconded by Fevold, to approve the sale of the Fraser properties over the appraised value and the resolution the Chair to contact original owner of the property for the first right of refusal. If no interest from previous owner, the Executive Director has the authority to engage an outside realtor for the sale of the asset. Motion passed. No dissenting vote.

Adjournment

Motion #011111 made by Pierce, seconded by Wilson, to approve adjournment of the meeting. Motion passed. No dissenting vote.

Xenia Rural Water District, Secretary

Date