

Resolution # _____
XENIA RURAL WATER DISTRICT
November 14, 2011 – 6:00 PM
Board Meeting Minutes

Board Members Present: Tomenga, Bromert, Rinehart, Hayer, Mestad

Board Members Absent: Wilson, Lovett

Staff Present: Andrews, Iben, Mason

Others Present: Doug Carlson, Keith Carlson, Stan Thompson, Dave Larson, Randy Hildreth

Call to Order

Tomenga called the meeting to order.

Approve Agenda

Motion #111101 made by Rinehart, seconded by Hayer, to introduce and approve the November 14, 2011 Regular Board Meeting Agenda. Motion passed. No dissenting.

Approve Minutes

Motion #111102 made by Bromert, seconded by Rinehart to approve October 18, 2011 Regular Board Meeting Minutes. Motion passed. No dissenting.

Financial Reports

Income Statement

Andrews reviewed the income statement for the month ended October 31, 2011 as well as year to date. Andrews noted that an error on October Budget column from the Income Statement that left \$6,467,620 from prior month. Created inaccuracy in October Budget bottom line, did not affect remaining bottom line numbers.

Net income from operations for the month of October was \$200,582. Andrews reviewed billed water figures.

Statement of Net Assets

Andrews reviewed the statement of Net Assets. The District has realized a loss year to date in net assets of \$1,597,806. This is due primarily to interest expense on the USDA and 2006 Bonds.

Statement of Cash Flows

Andrews reviewed the statement of cash flows. The District had a net increase in cash and cash equivalents for the month of October of \$1,160,174. The District an end of the month cash balance is \$7,631,436.

Operating Checking Transactions

Andrews reviewed the transactions that will take place in December to transfer monies into the Sinking and Operating & Maintenance funds.

Revenue, Operations & Maintenance, Sinking Fund Allocations

Fund Allocation includes \$504,390 from Revenue Fund to the Operation and Maintenance Fund and \$496,166 from Revenue Fund to the Sinking Fund.

Customer Service & Accounts Receivable

Accounts Receivable Aging/Cut-offs/Reinstatements

Reviewed receivables. Noted 49 liens filed.

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

District had six new members for the month of October and three terminations.

Motion #111103 made by Hayer and seconded by Mestad, to introduce and approve financial statements, customer service reports and Polk County tax liens. Motion passed. No dissenting vote.

Motion #111104 made by Hayer and seconded by Lovett, to approve the transfer of \$504,390 from the Revenue fund to the Operation and Maintenance Fund and \$496,166 from Revenue Fund to the Sinking Fund. Motion passed. No dissenting vote.

Management & Operation Reports

West Des Moines Two Mile Agreement

Tomenga reviewed West Des Moines Water Works interest to purchase pipeline from Xenia. The pipeline in question is located South of I-80 and West of West Des Moines. The City of West Des Moines has expressed interest in additional area. Tomenga indicated the Agreement would need to be modified to incorporate this new area.

Coats Pump House

Iben reviewed offer for \$5,000 to purchase.

Motion #111105 to table made by Rinehart and seconded by Bromert. Board determined more information was needed. Staff to research electrical service and moving meter costs. Motion passed. No dissenting

CEO/GM Comments

Mason updated the board on the progress that has been made since the last board meeting:

- Staff is looking into ways of reducing operational costs at the Stratford Treatment Plant
 - \$39,000 to remove lime and debris from clarifiers from Hydro Klean
 - Four wells are currently being monitored for productivity levels
 - Noted we are getting closer to automation of the plant
 - L.D. has been spending one full day per week at the Stratford plant to get the plant running optimally

- L.D. will hold four training courses over the next four months
 - CEU's can be earned for the classes
- Worth County Sale has not yet finalized
- USDA visit update
 - Viewed operations at Bouton office
 - GM briefed USDA on progress that has been made
 - USDA visited the Woodward tower and the Woodward WTP
- Assured Guarantee
 - Requested we look at possible additional scenarios for the Debt Work Out Proposal
 - Mason reviewed the three current scenarios
 - Mason and Tomenga to talk with USDA and AG to narrow plan

It was noted that a big issue with the Debt Work-Out Plan is the sale of water and wastewater facilities and property in Worth County. The monies from this sale would be used to pay off Bank of America.

Scenarios will show the money that needs to be set aside for depreciation for the system.

- Member Advisory Groups
 - Mason discussed the possibility of bringing together a group of members to bounce ideas off of and get feedback from
 - Mason stated this is a good tool for working with customers
- Rate Adjustment will be made for January consumption billed in February

New Business

None

Open Forum

None

Adjournment

Motion #111107 made by Bromert, seconded by Rinehart, to approve adjournment of the meeting. Motion passed. No dissenting vote.

Xenia Rural Water District, Secretary
Jean M. Bromert

Date