

Resolution # _____
XENIA RURAL WATER DISTRICT
December 18, 2012 – 6:00 PM
Regular Board Meeting Minutes

Board Members Present: Lovett, Hayer, Wilson, Ballard

Board Members Absent: None

Staff Present: Engman, Andrews, Shires

Others Present: Wade Hauser of Ahlers and Cooney Assured Rep, Kevin Lyons, LD McMullen, three District Members.

Call to Order

Lovett called the meeting to order.

Approve Agenda

Motion #121201 made by Wilson, seconded by Ballard to introduce and approve the December 18, 2012 Agenda. Motion passed. No dissenting.

Offer on Bouton Property

Had offer but was withdrawn after District added 1.58 acres to the 5 acre parcel.

Offer on Fraser Property

The board reviewed the Purchase Agreement for land owned by the District near Fraser. Motion #121202 made by Hayer, seconded by Wilson to approve the Purchase Agreement for Fraser Excess Property. Motion passed. No dissenting.

Approve Minutes

Motion #121203 made by Ballard, seconded by Hayer to introduce and approve the November 15, 2012 minutes. Motion passed. No dissenting.

November 29 minutes Regular Board Minutes not complete, tabled until January meeting.

Financial Reports

Statement of Net Assets

Andrews reviewed statement of net assets. As of November 30, 2012 assets totaled \$132.1 million. Liabilities totaled \$130.0 million. Fund balance was \$132.1 million.

Income Statement

Andrews reviewed the income statement. Total Operating Income for first eleven months of 2012 was approximately \$11.1 million.

Statement of Cash Flows

Andrews reviewed the statement of cash flows. Net decrease in cash and cash equivalents for the first eleven months of 2012 was \$1.1 million.

Operating Checking Transactions

No transfer will take place from the revenue fund in December as the transfer scheduled for December 2012 was made in November

Sinking Fund Allocations and Reserve Fund Allocations

Series 6 Bond payment made on December 1 was \$3,418,784.00. USDA Interest Only Payment was made on December 1 of \$2,885,216.

Customer Service & Accounts Receivable

Accounts Receivable Aging/Cut-offs/Reinstatements

Andrews reviewed receivables.

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

District had 12 new service connections and 4 terminations in November.

Motion #101204 made by Lovett and seconded by Ballard to introduce and accept financial statements and payment of parity lenders December debt. Motion passed. No dissenting vote.

2013 Rates

The District hopes to refinance in early 2013 and is optimistic about talks with parity lenders. An average rate increase of 7% would allow for debt payments to be made. Motion #121205 made by Ballard seconded by Wilson to introduce and approve 2013 rates. Motion passed. No dissenting.

2013 Budget

Discussion regarding budget revolved around the continuing need to identify all costs associated with an expense and review the need for the work (project, item, etc.). Assuming the Debt Workout Plan moves forward, reduced interest rate to the USDA will allow the District to make up for past defaults. . Motion #121206 made by Ballard seconded by Wilson to introduce and approve 2013 rates. Motion passed. No dissenting.

Cost Benefit Analysis Update

General Manager, Financial Committee of the Board, and Staff have made good progress toward a procedure where costs are detailed and reviewed by many people that may share ideas on ways to get the most benefit from the expenses that must be made. The Agenda Item Form that includes the Cost Benefit Analysis will be utilized at the January board meeting.

Resolution Annualized Compensation Audit

As recommended by the State of Iowa Auditors in the 2011 Audit comments, the District has established a resolution whereby all staff and consultants compensation is revised by the board. Motion #121207 made by Ballard, seconded by Hayer to approve a Resolution requiring the Board of Director to review the annualized compensation of all employees and consultants at the time of approval of the annual budget. Motion passed. No dissenting.

Work Order for General Manger

Motion 121208 made by Wilson, seconded by Ballard to approve the work order from Snyder & Associates to engage Dr. L.D. McMullen as the General Manager of Xenia Rural Water District. Motion passed. No dissenting.

Departmental Reports

Engman reviewed the highlights of the Departmental Reports.

Old Business

Determination as to course of action regarding the Woodward Water Treatment plant was reviewed. It was noted that Snyder & Associates is working on the River Crossing near Stratford to create redundancy for that system. The City of Churdan is looking for price guarantee for two years; the City should be on Xenia's system in the third quarter of 2013. The Agreement is still in negotiation. City of Slater has been pushed back to spring 2013, but still looks like it will happen. LD will visit with the City of Minburn about concerns and discuss advantages to staying with Xenia, rather than building a plant.

New Business

None

Public Comments

None

Adjournment

Motion #121209 made by Hayer, seconded by Wilson to end the meeting. Motion passed. No dissenting.

Xenia Rural Water District, Secretary

Date