

**Resolution # \_\_\_\_\_**  
**XENIA RURAL WATER DISTRICT**  
**February 23, 2012 – 6:00 PM**  
**Regular Board Meeting Minutes**

Board Members Present: Tomenga, Hayer, Lovett, Mestad, Wilson

Board Members Absent: Rinehart

Staff Present: Mason, Iben, Andrews, Shires

Others Present: Marc DeLong, Stan Thompson (Assured Rep), Randy Hildreth (USDA), Wade Hauser and Bill Noth (Ahlers & Cooney)

Call to Order

Tomenga called the meeting to order.

Approve Agenda

Motion #021201 made by Wilson to introduce and approve the February 23, 2012 Agenda Motion passed. No dissenting.

Approve Minutes

Motion #021202 made by Hayer to open discussion on Minutes. Hayer noted changes requested to minutes and submitted an additional page of information to include. Changes to existing minutes passed. No dissenting. Addition page information inclusion did not pass. Hayer and Mestad, Aye's; Wilson and Lovett, Nay. Tomenga voted Nay to break tie. Motion to add page did not pass.

February Financial Reports

Statement of Net Assets

Andrews reviewed the statement of Net Assets. The District has realized a loss year to date in net assets of \$99,943.

Income Statement

Andrews reviewed the income statement. Water revenues were \$8,946 under budget. Budget numbers are not adjusted for seasonal usages changes, just took the budget numbers and divided by 12. Higher usage occurs in the summer months, January is typically lower in usage.

Net income from operations is \$381,810. Andrews reviewed billed water figures.

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 January of \$479,145. The District an end of the month cash balance is \$6,738,710.

Operating Checking Transactions

Andrews reviewed with treasurer the transactions that will take place in February to transfer monies into the Sinking and Reserve funds.

Sinking Fund Allocations and Reserve Fund Allocations

Fund Allocation includes \$356,896 from Revenue Fund to the Operation and Maintenance Fund, \$502,286 from Revenue Fund to the Sinking Fund and \$58,347 from the Revenue Fund to the Reserve Fund.

Customer Service & Accounts Receivable

Accounts Receivable Aging/Cut-offs/Reinstatements

Reviewed receivables. Noted liens filed 18.

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

District had six new members for the month January and four terminations.

Motion #021203 made by Wilson to introduce and approve financial statements and the customer service reports. Motion passed. No dissenting vote.

Motion #021204 made by Mestad to approve the transfer of \$502,286 from the Revenue fund to the Sinking Fund. Motion passed. No dissenting vote.

Motion #021206 made by Lovett to approve the transfer of \$58,347 from the Revenue fund to the Reserve fund. Motion passed. Lovett, Mestad, Wilson voted aye. Hayer abstained.

RFP Engineering Services

Lovett will work with staff to make revisions to RFP.

Ethanol Rate Review

Tomenga presented ethanol plant rates. Noted the rates to be slightly lower as Xenia did not go over contracted purchase capacity with DMWW last year, so it did not have to pay the penalty rate. Motion #021207 made by Hayer to introduce and approve rates for Flint Hills Resources, Poet Jewell, and Poet Gowrie ethanol plants. Motion passed. No dissenting vote.

Management & Operation Reports

Mason reviewed departmental reports.

New Business

Appointment of board member to replace the seat vacated by Jean Bromert resignation was discussed.

Public Comments

None

Executive Closed Session

Board entered into closed session

Motion #021208 made by Hayer to end closed session at 9:00pm. Motion passed. No dissenting vote.

Formation of Negotiating Committee

Motion #021209 made by Wilson to form a negotiating committee to work on a final settlement with Assured Guarantee for claims and extra expenses. Motion passed. No dissenting vote.

Motion #021210 made by Mestad to have committee members include Tomenga, Lovett and Mason. Motion passed. No dissenting vote.

Motion #021211 made by Hayer to add Mestad to the Negotiating Committee. Motion passed. No dissenting vote.

Resolution Board Member Access to Information

Hayer made motion #021212 to pass Resolution for Board Member Access to Information. Discussion was had about Generally Accepted Governing Standards and the possibility that unrestricted access by individual board members to District consultants and staff would be problematic. It was suggested that communication desired with consultants and staff go through the CEO/GM. Vote: one for, two abstain, two no. Motion did not pass.

Adjournment

Motion #021213 made by Mestad, to approve adjournment of the meeting. Motion passed. No dissenting vote.

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Xenia Rural Water District, Secretary

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Date