

Resolution # _____
XENIA RURAL WATER DISTRICT
May 30, 2013 – 5:00 PM
Regular Board Meeting Minutes

Board Members Present: Lovett, Wilson, Ballard, Bromert, Becker, Jensen

Board Members Absent: None

Staff Present: McMullen, Andrews, Iben, Lyons, Roberts

Others Present: None

Call to Order

Lovett called the meeting to order.

Approve Agenda

Motion #051301 made by Wilson, seconded by Ballard to introduce and approve the May 30, 2013 Agenda. Motion passed. No dissenting.

Approve Minutes

Motion #051302 made by Wilson, seconded by Ballard to introduce and approve the April 30, 2013 minutes. Motion passed. No dissenting.

Financial Reports

Statement of Net Assets

Andrews reviewed statement of net assets. As of April 30, 2013 assets totaled \$133.5 million. Liabilities totaled \$132.3 million. Total liabilities and fund balance was \$133.5 million.

Income Statement

Andrews reviewed the income statement. Total year-to-date Operating Income was approximately \$1.675 million.

Statement of Cash Flows

Andrews reviewed the statement of cash flows. Net increase in cash and cash equivalents was \$2.9 million.

Operating Checking Transactions

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

Sinking Fund Allocations and Reserve Fund Allocations

Series 6 Bond Sinking Fund payment made on June 10, 2013 was \$454,044.00, USDA Sinking Fund payment made on June 10, 2013 was \$71,090.00, and AG Sinking Fund Payment made on June 10, 2013 was \$3,930.00.

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 4 new service connections and two terminations in April.

Motion #051303 made by Bromert and seconded by Jensen to introduce and accept financial statements and payment of parity lenders. Motion passed. No dissenting vote.

Audit Update

Andrews reported USDA has approved a 30 day extension on the due date of the 2012 audit. It is now due no later than June 30, 2013. We are in the final stages of the audit and we anticipate it being released in mid-June.

Generator Supply for Bouton Office

Authorize purchase of generator with transfer switch under the State of Iowa purchasing agreement for \$50,182 from Ziegler Power Systems. Motion #051304 by Jensen, seconded by Bromert. Motion passed. No dissenting.

Main Replacement in Linden

Authorize General Manager to sign work order with Snyder & Associates for analysis and design. Motion #051305 by Jensen, seconded by Ballard. Motion passed. No dissenting.

Structural Cracking at Stratford Water Treatment Plant

Authorize the General Manager to sign work order with Snyder & Associates to study the cracking at the Stratford Treatment Plant in the amount of \$9,700 with report back by July meeting. Motion #051306 by Jensen, seconded by Wilson. Motion passed. No dissenting.

Review and Approve Churdan Agreement

Motion #051307 by Jensen, seconded by Wilson to approve Purchase Agreement with the City of Churdan and authorize staff to move forward with finalization. Motion passed. No dissenting.

Stratford Generator Power Supply

Accept the quotation from Drees Heating & Cooling and authorize the CEO/General Manager to sign a contract in the amount of \$59,653.41. Motion #051308 by Ballard, seconded by Bromert. Motion passed. No dissenting.

Payment of Ahlers & Cooney Legal Expenses

Authorization to approve payment of Ahlers & Cooney, P.C. invoices pertaining to the debt workout agreement opinions in the amount of \$45,183.43. Motion #051309 made by Jensen, seconded by Becker to table the payment of \$20,000 until new board members learn more details about the billing. Motion passed. No dissenting.

Checklist for Forbearance Agreement

Andrews presented documents identifying requirements that must be met and requirement due dates to maintain compliance with the debt workout agreements.

2013 Employee Health Care Renewal

Authorize staff to maintain health insurance from Wellmark. Xenia's contribution rate for policy premiums will be 70% of the HMO policy premium. Motion #051310 by Jensen, seconded by Becker. Motion passed. No dissenting.

Robert Half vs. Xenia

Approve the settlement and authorize Ahlers & Cooney to make payment to Roberts Half for \$5000 to complete the transaction. Motion #051311 by Bromert, seconded by Ballard. Motion passed. No dissenting.

Coats Pump House

Approve the Coats Pump House as excess property and advertise in the Fort Dodge Messenger the sale of the property. Proceeds of property to go into Revolving Fund. Motion #051312 by Ballard, seconded by Becker. Motion passed. No dissenting.

Management Succession Plan

Personnel Committee will begin the search for replacement of the General Manager for 2014; McMullen would then take on role of mentor to new Manager for 2014.

Departmental Reports

McMullen reviewed the highlights of the Departmental Reports. He is also still currently working on management restructuring, review of salaries, capital improvement budgets for 2014 & 2015, and operating budget for 2014. In discussion with Pioneer, Waukee, Kelly and Ames regarding water needs.

Old Business

Not added to the April 30, 2013 meeting minutes was a discussion held regarding the IDNR interest in purchasing some Xenia property in Stratford. McMullen has met with them and will meet again in July.

New Business

Board committee assignments recommended by Lovett.

Personnel: Bromert, Becker, Lovett

Finance: Ballard, Becker, Bromert

Planning: Wilson, Becker, Jensen

Executive: Lovett, Ballard, Wilson

Ballard discussed making payment to IFA.

McMullen discussed future need for new phone system, system is outdated and failing.

Public Comments

None

Adjournment

Motion #051313 made by Wilson, seconded by Ballard to end the meeting. Motion passed. No dissenting.

Xenia Rural Water District, Secretary

Date