

Resolution # _____
Notice and Call of Public Meeting

Governmental Body: The Board of Directors of Xenia Rural Water District, State of Iowa.
Date of Meeting: Thursday, November 16, 2017
Time of Public Meeting: 5:00 p.m.
Place of Meeting: Xenia Rural Water District Office, 23998 141st Street, Bouton, Iowa

PUBLIC NOTICE IS HEREBY GIVEN that the above mentioned governmental body will meet at the date, time and place above set out. The tentative agenda for said meeting is as follows:

| Call to Order of the Public Meeting | Chairman of the Board |
|---|-----------------------|
| 1. Approve Agenda | Board Members |
| 2. Approve October 19, 2017 Board Meeting Minutes | Board Members |
| 3. Review Financial Reports | Controller |
| • Statement of Net Assets | |
| • Income Statement Schedules | |
| • Statement of Cash Flows | |
| • Operating Checking Transactions (separately reviewed by Board Treasurer) | |
| • Bond Reserve and Sinking Fund Allocations | |
| 4. Customer Service & Accounts Receivable | Controller |
| • Accounts Receivable Aging/Cut-offs/Reinstatements | |
| • New Customers/Water User Agreements/ Occupant Deposit Listing/Voluntary Terminations | |
| • Water Consumption Report | |
| 5. 2018 Residential and Commercial Water and Wastewater Rates | CEO/GM |
| 6. 2018 Budget | CEO/GM |
| 7. Water Rates for Developments within Adel | CEO/GM |
| 8. New Electrical Service for Woodward Water Treatment Plant | CEO/GM |

9. Woodward Water Treatment Plant 2017 Improvement Change Order No. 2 CEO/GM
10. Woodward Water Treatment Plant 2017 Improvements Payment Application No. 6 CEO/GM
11. IOWARN Agreement CEO/GM
12. 2018 Board Meeting Dates CEO/GM
13. Manager's Updates CEO/GM
- Liability and Health Insurance
 - Adel
 - Briggs Woods
 - Regional Utility
 - 2018 Audit
14. Departmental Reports CEO/GM
15. Old Business Board Members
16. New Business Board Members
17. Public Comments Audience
18. Next Board Meeting will be December 21, 2017 at 5:00 pm, Finance Committee meeting will be held December 21, 2017 at 4:00 pm.

Adjournment

This notice is given at the direction of the Chairperson pursuant to Chapter 21, Code of Iowa, as amended, and the local rules of said governmental body.

Secretary, Xenia Rural Water District,
State of Iowa

Xenia Rural Water District, State of Iowa



23998 141st Street
Bouton, IA 50039
BOARD OF DIRECTORS
AGENDA ITEM

Meeting Date: 11/16/2017
Agenda Item # 5

Subject: 2018 Residential and Commercial Water and Wastewater Rates

Attachments referenced in this memo are attached to the following 2018 Budget memo. The attachments are:

- 2018 draft operating budget based on a 0.0% rate increase
- 2018 capital improvements budget
- Cash flow report supporting the recommendation of a 0.0% rate increase
- 2018 Bouton wastewater budget based on a 0.0% rate increase

This budget has been prepared using conservative estimates with the intent of providing a level of comfort that all future cash flow needs will be met.

The 2018 budget must be passed no later than November 30, 2017.

Budget 2018 Impact: A 0.0% rate increase will result in revenues sufficient to cover all of the District’s operating, financing and capital improvement needs, while still allowing the District to accumulate a cash surplus necessary to mitigate any future financial contingencies. A 0.0% rate increase will also be sufficient to maintain annual revenues of at least 120% of the maximum annual debt service on all bonds and parity obligations as required under Section 16 of the Series 2016 Bond Resolution.

Recommended Action: Approve no rate increase or decrease for residential and commercial water consumption and no rate increase or decrease for the Bouton wastewater system until further notice.

Motion from Board: Motion to approve no rate increase or decrease for residential and commercial water consumption and no rate increase or decrease for the Bouton wastewater system until further notice.

Prepared By: Gary Andrews
Title: Controller

Reviewed By:
Title: CEO/General Manager



23998 141st Street
Bouton, IA 50039
BOARD OF DIRECTORS
AGENDA ITEM

Meeting Date: 11/16/2017
Agenda Item # 6

Subject: 2018 Budget

Attached are the following 2018 budget reports:

- 2018 draft operating budget based on a 0.0% rate increase
- 2018 capital improvements budget
- Cash flow report supporting the recommendation of a 0.0% rate increase
- 2018 Bouton wastewater budget based on a 0.0% rate increase

This budget has been prepared using conservative estimates with the intent of providing a level of comfort that all future cash flow needs will be met.

The 2018 budget must be passed no later than November 30, 2017.

Budget 2018 Impact: A 0.0% rate increase will result in revenues sufficient to cover all of the District's operating, financing and capital improvement needs, while still allowing the District to accumulate a cash surplus necessary to mitigate any future financial contingencies. A 0.0% rate increase will also be sufficient to maintain annual revenues of at least 120% of the maximum annual debt service on all bonds and parity obligations as required under Section 16 of the Series 2016 Bond Resolution.

Recommended Action: Approve the 2018 water system budget based on a 0.0% rate increase for residential and commercial water consumption and approve the 2018 Bouton Wastewater system budget based on a 0.0% rate increase.

Motion from Board: Motion to approve the 2018 water system budget based on a 0.0% rate increase for residential and commercial water consumption and approve the 2018 Bouton Wastewater system budget based on a 0.0% rate increase.

Prepared By: Gary Andrews

Title: Controller

Reviewed By:

Title: CEO/General Manager



23998 141st Street
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BOARD OF DIRECTORS
AGENDA ITEM

Meeting Date: 11/16/2017
Agenda Item # 7

Subject: Water Rates for Developments within Adel

Adel's City Administrator asked if we could look into the possibility of lower water rates for Xenia residential customers that live in Adel. He wants water bills for Adel citizens to be fairly close in cost whether they receive their water from Adel or Xenia.

As we discussed at last month's Board meeting, the only rate I could possibly justify in this situation would be to treat customers that reside in Adel as "franchise rate" customers. The only justification for suggesting this approach would be the fact that there is significantly denser concentration of customers in the Adel developments compared to rural customers – not unlike the franchise communities we serve. I would not recommend we drop the membership fees for Adel developments which would be different than our franchise customers.

Attached is a copy of the water bill comparison between Adel, Xenia Rural and Xenia Franchise water rates for 2,000, 4,000, 6,000 and 8,000 gallons of water usage per month. The comparison shows a significant difference between Adel and Xenia Rural rates and a lesser difference between Adel and Xenia Franchise rates.

This is brought forward because Adel's City Administrator asked us to look into our water rates for customers in Adel. I don't see this as opening a "can of worms". We only have one other situation where we serve a development in a city and the city serves the remaining customers. The city is Boone and Xenia's agreement with Boone to serve this area specifies that Xenia charge these customers the City of Boone water rates.

Budget 2017 Impact – No specific revenue numbers are in the budget for developments in Adel. Moving Adel developments from the rural to franchise rates would result in less revenue.

Recommended Action: Approve leaving the Adel developments in Xenia's service territory as rural rate customers and direct staff to communicate to Adel staff that Xenia is looking into the possibility of reducing the minimum water bill amount.

Motion from Board: Motion to approve leaving the Adel developments in Xenia's service territory as rural rate customers and direct staff to communicate to Adel staff that Xenia is looking into the possibility of reducing the minimum water bill amount.

Prepared By: Gary Benjamin

CEO/General Manager

Reviewed By: _____

CEO/General Manager



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BOARD OF DIRECTORS
AGENDA ITEM

Meeting Date: 11/16/2017

Agenda Item # 8

Subject: New Electrical Service for Woodward Water Treatment Plant

Alliant Energy provides electrical service to the Woodward Water Treatment Plant. When they found out we were in an extended plant shutdown for the improvements project, they decided they needed to replace their transformer that serves the plant. Alliant's approach to these situations is they provide the transformer and the customer pays for any modifications to the electrical conduits, conductors, etc., to facilitate the new installation.

With current regulations, the new oil-filled transformer cannot be installed in the same location as the old one as the old location is too close to the finished water clearwell. A location for the new transformer has been selected to meet current regulations. Based on the new location, Alliant will need to install a new power pole, some new underground conduit and new wiring. Alliant's cost estimate for materials, labor and machine time to complete this installation is \$17,671.30. A copy of the cost estimate is attached.

Budget 2017 Impact – There is a total of \$2,450,000 in the 2017 and 2018 capital budgets for improvements to the Woodward Water Treatment Plant. Engineering fees will total \$339,000. If this work is approved, there will be \$2,093,328.70 for completion of the improvements contract. The contract amount (with Change Order No. 1) for that project is currently \$1,802,540.

Recommended Action: Authorize staff to approve Alliant Energy's proposal to complete installation of a new electrical service for the Woodward Water Treatment Plant at a cost of \$17,671.30.

Motion from Board: Motion to authorize staff to approve Alliant Energy's proposal to complete installation of a new electrical service for the Woodward Water Treatment Plant at a cost of \$17,671.30.

Prepared By: Gary Benjamin

CEO/General Manager

Reviewed By: _____

CEO/General Manager



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BOARD OF DIRECTORS
AGENDA ITEM

Meeting Date: 11/16/2017

Agenda Item # 9

Subject: Woodward Water Treatment Plant 2017 Improvements – Change Order No. 2

The Board awarded the Woodward Water Treatment Plant 2017 Improvements contract to C. L. Carroll Co., Inc. at the March, 2017 Board meeting in the amount of \$1,800,696. The Board approved Change Order No. 1 in the amount of \$1,844 at the June, 2017 Board for a revised contract amount of \$1,802,540

C. L. Carroll was asked to submit a change order to cover three scope changes: 1. Reduce the size of the filter air scour blower; 2. Change the coating system on the exterior of the filter walls from the specified paint to an Aerolon insulated coating system that will eliminate condensation and minimize the opportunity for corrosion; and 3. Add a new transformer pad, conduit and wiring to accommodate changing the location for the new Alliant transformer.

C. L. Carroll submitted a change order with the following costs for the items listed above:

1. \$1,000.00 deduct
2. \$24,675.00 adder
3. \$7,498.00 adder

The total for Change Order No. 2 is \$31,173.00 or about 1.7% of the original contract amount. The change order has been reviewed and approved by HR Green and a copy is attached.

Budget 2017 Impact – There is a total of \$2,450,000 in the 2017 and 2018 capital budgets for this project. Engineering fees will total \$339,000 and Alliant Energy's work will total \$17,671.30 leaving \$2,093,328.70 for completion of this project.

Recommended Action: Approve Woodward Water Treatment Plant 2017 Improvements Change Order No. 2 for C. L. Carroll Co., Inc., in the amount of \$31,173.00.

Motion from Board: Motion to approve Woodward Water Treatment Plant 2017 Improvements Change Order No. 2 for C. L. Carroll Co., Inc., in the amount of \$31,173.00.

Prepared By: Gary Benjamin, P.E.

CEO/General Manager

Reviewed By: _____

CEO/General Manager



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BOARD OF DIRECTORS
AGENDA ITEM

Meeting Date: 11/16/2017

Agenda Item # 10

Subject: Woodward Water Treatment Plant 2017 Improvements – Payment Application No. 6

The Board awarded the Woodward Water Treatment Plant 2017 Improvements contract to C. L. Carroll Co., Inc. at the March, 2017 Board meeting in the amount of \$1,800,696. The Board approved Change Order No. 1 in the amount of \$1,844 at the June, 2017 Board meeting for a revised contract amount of \$1,802,540. If the Board approves Change Order No. 2 (earlier Board item), the revised contract amount will be \$1,833,713.

The Board previously approved Payment Application Nos. 1 through 5 in the total amount of \$433,434.65. C.L. Carroll has submitted Payment Application No. 6 in the amount of \$235,240.90 to HR Green and they have reviewed and approved the application. A copy of Payment Application No. 6 is attached.

If the Board approves Payment Application No. 6, the total paid to date will be \$668,675.55.

Budget 2017 Impact – There is a total of \$2,450,000 in the 2017 and 2018 capital budgets for this project. Engineering fees will total \$339,000 and Alliant Energy's work will total \$17,671.30 leaving \$2,093,328.70 for completion of this project.

Recommended Action: Approve Woodward Water Treatment Plant 2017 Improvements Payment Application No. 6 for C. L. Carroll Co., Inc., in the amount of \$235,240.90.

Motion from Board: Motion to approve Woodward Water Treatment Plant 2017 Improvements Payment Application No. 6 for C. L. Carroll Co., Inc., in the amount of \$235,240.90.

Prepared By: Gary Benjamin, P.E.

CEO/General Manager

Reviewed By: _____

CEO/General Manager



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AGENDA ITEM

Meeting Date: 11/16/2017

Agenda Item # 11

Subject: IOWARN Agreement

IOWARN (Iowa's Water/Wastewater Agency Response Network) is a formalized system of "utilities helping utilities" to deliver mutual aid following major emergencies. The Agency includes a network of public and private utilities, a steering committee, a web-based communication system and a practical mutual aid agreement designed to reduce bureaucratic red tape in times of emergency. The mission of the agency is "To promote statewide emergency preparedness, disaster response and mutual assistance for public and private water/wastewater utilities." Benefits listed in IOWARN's website are: No cost to participate; Increased planning & coordination; Enhances access to specialized resources; Single agreement provides access to all member utilities statewide; Expedites arrival of aid; Administrative conflict is reduced; A list of emergency contacts & available resources is provided; and Consistent with the National Incident Management System (NIMS).

Utility members of the Agency provide a list of contacts and equipment and staff they have that could be beneficial to another utility that is experiencing an emergency they cannot handle themselves. If a member has an emergency, they can log into IOWARN's website and input a description of the emergency and a list of the resources they are looking for to assist them. Other members receive this information and they can decide if they have any of the needed resources and if they have the time to assist. A member does not have to assist if it doesn't fit their current work load. When a member assists in an emergency, they are reimbursed for the resources used to address the emergency by the impacted member.

Budget 2017 Impact – There is no cost to join IOWARN.

Recommended Action: Authorize staff to sign up to become a member of IOWARN.

Motion from Board: Motion to authorize staff to sign up to become a member of IOWARN.

Prepared By: Gary Benjamin

CEO/General Manager

Reviewed By: _____

CEO/General Manager



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Meeting Date: 11/16/2017

Agenda Item # 12

Subject: 2018 Board Meeting Dates

With a few exceptions, Xenia Board meetings are held the Thursday of the third full week each month. Working around holidays and pending any special circumstances, the proposed Board meeting dates for 2018 are:

January 18
February 22
March 22
April 19
May 24
June 21
July 19
August 23
September 20
October 18
November 15
December 20

Budget 2017 Impact – No budget implications.

Recommended Action: Informational only.

Motion from Board: Informational only.

Prepared By: Gary Benjamin

CEO/General Manager

Reviewed By: _____

CEO/General Manager