

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, October 19, 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 September 21, 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. Xenia Funds Investment Strategy	CEO/GM
6. 2018 Budget and Water Rates Discussion	Controller
7. Woodward Water Treatment Plant 2017 Improvements Payment Application No. 5	CEO/GM
8. Manager's Updates	CEO/GM

- Regional Utility
- Briggs Woods Agreement
- Madrid
- Website Update
- Waukee Annexation Area

9. Departmental Reports

CEO/GM

10. Old Business

Board Members

11. New Business

Board Members

12. Public Comments

Audience

13. Next Board Meeting will be November 16, 2017 at 5:00 pm, Finance Committee meeting will be held November 16, 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: 10/19/2017

Agenda Item # 5

Subject: Xenia Funds Investment Strategy

As discussed last month, Xenia has cash in multiple funds which can be invested (with certain limitations). Dan Zomermaand of PMA Financial Network and members of Xenia management have developed an investment strategy designed to maximize earnings, mitigate investment risk, avoid the arbitrage limitations and minimize the likelihood of needing to sell investments before their maturity dates (cash crunch).

Using investments offered through Iowa Public Agency Investment Trust (IPAIT), cash can be managed and modified as market conditions or Xenia's needs change. For the present, staff is recommending the following strategies by fund:

Bond Sinking Fund – Due to the revolving nature of this fund, staff is recommending all investments in this fund be invested in IPAIT's money market fund (roughly 0.75% return).

Reserve Fund – Investments for this fund cannot exceed 2.80259%. Staff is recommending this fund be split with 20% of cash invested in each of the following U.S. Treasury securities shown with their anticipated returns:
1-Year Treasury (1.40%), 2-Year Treasury (1.60%), 3-Year Treasury (1.80%), 4-Year Treasury (1.90%) and 5-Year Treasury (2.00%). Note – This strategy will be reevaluated in the future as rates adjust.

Surplus Fund – Not subject to any limitations. Due to Xenia's capital investment plans, staff is recommending keeping \$3,000,000 in a 30-Day CD (1.05%) that will reinvest at each maturity. The balance will be invested in 6-Month Treasuries (1.15%).

Budget 2017 Impact: Earning a higher return on idle cash can provide additional investment income that has not been budgeted for (see attached scenario). Once a strategy has been approved, estimates can be made for budget year 2018. Current estimated revenues are \$123,829 (see attached).

Recommended Action: Approve allowing PMA Financial Network to invest cash in the Bond Sinking Fund, Reserve Fund and Surplus Fund in investments as specified above.

Motion from Board: Motion to approve allowing PMA Financial Network to invest cash in the Bond Sinking Fund, Reserve Fund and Surplus Fund in investments as specified above.

Prepared By: Gary Andrews

Title: Controller

Reviewed By: Gary Benjamin, P.E.

CEO/General Manager



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BOARD OF DIRECTORS
AGENDA ITEM

Meeting Date: 10/19/2017

Agenda Item # 6

Subject: 2018 Budget and Water Rates Discussion

Attached are the following 2018 budget reports:

- 2018 draft operating budget based on a 0.0% rate increase
- 2018 capital improvements budget

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.

A full budget will be provided next month which will include a cash flow analysis and the stand alone Bouton wastewater budget. No rate increase is anticipated for the Bouton wastewater system at this time.

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 for mitigating the risk of unforeseen financial contingencies.

Recommended Action: Discussion only, no action required at this time.

Motion from Board: Discussion only, no action required at this time.

Prepared By: Gary Andrews

Title: Controller

Reviewed By: Gary Benjamin, P.E.

CEO/General Manager



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BOARD OF DIRECTORS
AGENDA ITEM

Meeting Date: 10/19/2017

Agenda Item # 7

Subject: Woodward Water Treatment Plant 2017 Improvements – Payment Application No. 5

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.

The Board previously approved Payment Application Nos. 1, 2, 3 and 4 in the total amount of \$328,453.00. C.L. Carroll has submitted Payment Application No. 5 in the amount of \$104,981.65 to HR Green and they have reviewed and approved the application. A copy of Payment Application No. 5 is attached.

If the Board approves Payment Application No. 5, the total paid to date will be \$433,434.65.

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 leaving \$2,111,000 for completion of this contract.

Recommended Action: Approve Woodward Water Treatment Plant 2017 Improvements Payment Application No. 5 for C. L. Carroll Co., Inc., in the amount of \$104,981.65.

Motion from Board: Motion to approve Woodward Water Treatment Plant 2017 Improvements Payment Application No. 5 for C. L. Carroll Co., Inc., in the amount of \$104,981.65.

Prepared By: Gary Benjamin, P.E.

CEO/General Manager

Reviewed By: _____

CEO/General Manager