

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, February 22, 2018
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 January 18, 2018 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. Annual Meeting Update	CEO/GM
6. Rates/Revenue Discussion	CEO/GM
7. Adel Temporary Water Purchase Agreement	CEO/GM
8. Clive Booster Station & Feeder Main Capacity Sale	CEO/GM
9. Woodward Water Treatment Plant 2017 Improvements - Change Order No. 3	CEO/GM

10. Woodward Water Treatment Plant 2017 Improvements - Payment Application No. 9 CEO/GM
11. Woodward Water Treatment Plant – Paint Lime Silo CEO/GM
12. Manager’s Updates CEO/GM
- CIRDWC Regionalization Update
 - Audit Update
 - DeSoto Emergency Connection
 - Lohrville
 - Churdan
 - Tank Mixers
 - Montana Street - Boone
13. Departmental Reports CEO/GM
14. Old Business Board Members
15. New Business Board Members
16. Public Comments Audience
17. Next Board Meeting will be March 22, 2018 at 5:00 pm, Finance Committee meeting will be held March 22, 2018 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: 2/22/2018
Agenda Item # 5

Subject: Annual Meeting Update

The 2018 Annual Meeting is scheduled for April 19th at 7:00 PM. We have 2 current board seats that will be up for re-election (Amy Kahler & Michael Schrum). In January, we sent out information to our membership informing them of the vacancies and soliciting candidates. The deadline for submission of application to join the Board was February 9th. Four Members have expressed interest in running for the Board vacancies. The candidates will meet with Troy Wilson and Jerry Carris in the month of February to review the duties of the Board.

Staff will compile the proxies following the meetings with the candidates. Proxies will be mailed out in March, giving Members ample time to vote. Proxies would be due in the office April 13th.

Budget 2018 Impact: N/A

Recommended Action: No action is required.

Motion from Board: Discussion by Board members.

Prepared By: Corey Iben

HR & Administration

Reviewed By: _____

CEO/General Manager



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

Meeting Date: 2/22/2018
Agenda Item # 6

Subject: Rates/Revenue Discussion

Per the Xenia Board's request, a model has been created to determine the effects on revenues when modifying Xenia's rate structure. The model has been completed and emailed to each Board Member. In addition to the model, a comparison of current rates structures for the larger rural water utilities operating in the state has been included with this memo.

When budgets are put together, we conservatively understate revenues and overstate expenses to provide a high degree of confidence the District's cash flow needs will be met. Compared to 2017 projections, the 2018 budget reflects a \$303,859 decrease in revenues and a \$541,807 increase in expenses, as broken down below:

2018 budgeted revenues are \$303,859 less than 2017 projected revenues (3% decrease).

2018 budgeted direct costs are \$366,229 greater than 2017 projected direct costs (3% increase).

2018 budgeted shop/equip costs are \$62,400 greater than 2017 projected shop/equip costs (75% increase which is heavily influenced by depreciation on new equipment).

2018 budgeted overhead costs are \$20,233 greater than 2017 projected costs (2% increase).

2018 budgeted administration costs are \$92,945 greater than 2017 projected costs (7% increase).

2018 budgeted capital improvements are \$1,600,435 greater than 2017 projected improvements (173% increase).

There are numerous variables that need to be considered in conjunction with the model:

Budget 2018 Impact: Impact would vary depending on any modifications made to current

Recommended Action: Discussion only, no action required

Motion from Board: No action required

Prepared By: Gary Andrews

Title: Controller

Reviewed By: _____

CEO/General Manager



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

Meeting Date: 2/22/2018
Agenda Item # 7

Subject: Adel Temporary Water Purchase Agreement

Xenia Staff have met with the City of Adel and their engineers several times over the past several years to discuss water service in and around the City of Adel. As a part of these meetings, both parties have discussed the opportunity to have an emergency connection between Xenia and the City of Adel.

Last summer, the City of Adel incurred some operational issues at their water treatment plant, which caused them to turn off portions of their treatment process in order to keep up with their water demand. After learning of their difficulties, staff reached out to the City to renew the discussion of water service from Xenia.

McClure Engineers are working with the City of Adel on solutions to their water quality/quantity issue, with the primary purpose of designing and building a new water treatment plant. An emergency connection with the City is being incorporated into their design in case any further operational issues would occur with the existing plant and as redundancy for their new plant.

At Adel's City Council Meeting on February 13th, they approved the attached Temporary Water Purchase Agreement. As a part of the agreement, Xenia would supply, at the City's expense, a water meter and the meter pit. Adel would like to purchase one of Xenia's excess meter vaults that have been sitting in inventory for several years. Adel's engineer will design the water service connection and Adel will pay to construct the connection.

Budget 2018 Impact: No revenue for water sales to Adel were included in the 2018 budget. Any use of the temporary water service connection will result in unbudgeted revenue.

Recommended Action: Approve the Temporary Water Purchase Agreement between Xenia Rural Water District and the City of Adel and authorize the Chair and Secretary to execute the agreement once it has been approved by both parties.

Motion from Board: Motion to approve the Temporary Water Purchase Agreement between Xenia Rural Water District and the City of Adel and authorize the Chair and Secretary to execute the agreement once it has been approved by both parties.

Prepared By: Corey Iben

HR & Administration

Reviewed By: _____

CEO/General Manager



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

Meeting Date: 2/22/2018

Agenda Item # 8

Subject: Clive Booster Station & Feeder Main Capacity Sale

Staff was asked recently if Xenia would be interested in selling excess capacity in the Clive Booster Station (BS) and the 24-inch feeder main (FM) from the BS to T Avenue west of Waukee. Waukee was looking at options for receiving more water from Des Moines Water Works (DMWW) and purchasing some of the excess capacity is one of the options they considered.

Staff found some cost data on the booster station and feeder main and worked with Des Moines Water Works staff to fill in some blanks to determine the current value of the BS and FM. Staff also determined the current capacity of the BS and FM and the capacity that Xenia would want to reserve in both facilities given current demands, known future demands and potential growth. There is currently about 400,000 gpd of excess capacity in the BS and 7,168,000 gpd excess capacity in the FM. The capacity in the Waukee BS will serve as extra capacity beyond the reserved capacity.

The current value of the BS was determined to be \$1,123,479.82 and the current capacity is 2,300 gpm (3,312,000 gpd). The resulting capacity cost is \$436.38/gpm. The current value of the FM was determined to be \$3,054,628.45 and the capacity is 7,000 gpm (10,080,000 gpd). The resulting capacity cost is \$488.47/gpm. A spreadsheet with the cost calculations is attached. The capacity of the BS can be increased in the future by replacing the existing pumps with larger pumps.

Waukee desires to purchase 400,000 gpd of capacity in the BS and FM. The costs for that capacity would be \$135,686.11 for the BS and \$121,216.67 for the FM for a total of \$256,902.78.

Budget 2018 Impact – No sale of Clive Booster Station or Feeder Main capacities were included in the 2018 budget. Any funds received from the sale of any capacities would be unbudgeted revenue.

Motion from Board: Discussion only at this time. Once an agreement is drafted, it will be brought back for further discussion and possible Board approval.

Prepared By: Gary Benjamin, P.E.

CEO/General Manager

Reviewed By: _____

CEO/General Manager



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

Meeting Date: 2/22/2018

Agenda Item # 9

Subject: Woodward Water Treatment Plant 2017 Improvements – Change Order No. 3

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 and Change Order No. 2 in the amount of \$31,173.00 at the November, 2017 Board meeting for a revised contract amount of \$1,833,713.00.

C. L. Carroll was asked to submit a change order to cover four scope changes: 1. Addition of structural support on the steel filter box; 2. Upsize VFDs and conductors for the backwash pumps and high service pumps (motors were bigger than shown on drawings); 3. Cleaning of lime buildup from clarifier (Board approved work change directive No. 1 last December for up to \$17,850); and 4. Replace existing lights for the treatment plant with LED lights.

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

1. \$3,432.00 adder
2. \$2,366.70 adder
3. \$10,896.10 adder
4. \$23,403.45 adder

The total for Change Order No. 3 is \$40,098.25 or about 2.2% of the original contract amount. The total change order amount would be \$73,115.25 or 4.1% of the original contract amount. The change order has been reviewed and approved by HR Green and a copy is attached.

If the Board approves this change order, the new contract amount will be \$1,873,811.25.

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. 3 for C. L. Carroll Co., Inc., in the amount of \$40,098.25.

Motion from Board: Motion to approve Woodward Water Treatment Plant 2017 Improvements Change Order No. 3 for C. L. Carroll Co., Inc., in the amount of \$40,098.25.

Prepared By: Gary Benjamin, P.E.

CEO/General Manager

Reviewed By: _____

CEO/General Manager



23998 141st Street
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BOARD OF DIRECTORS
AGENDA ITEM

Meeting Date: 2/22/2018
Agenda Item # 10

Subject: Woodward Water Treatment Plant 2017 Improvements – Payment Application No. 9

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 \$1,800,696.00. The Board approved Change Order No. 1 in the amount of \$1,844.00 at the June, 2017 Board meeting and Change Order No. 2 in the amount of \$31,173.00 at the November, 2017 Board meeting. If the Board approves Change Order No. 3 (earlier agenda item), the new contract amount will be \$1,873,811.25.

The Board previously approved Payment Application Nos. 1 through 8 in the total amount of \$1,150,949.57. C.L. Carroll has submitted Payment Application No. 9 in the amount of \$280,199.31 to HR Green and they have reviewed and approved the application. A copy of Payment Application No. 9 is attached.

If the Board approves Payment Application No. 9, the total paid to date will be \$1,431,148.88.

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. 9 for C. L. Carroll Co., Inc., in the amount of \$280,199.31.

Motion from Board: Motion to approve Woodward Water Treatment Plant 2017 Improvements Payment Application No. 9 for C. L. Carroll Co., Inc., in the amount of \$280,199.31.

Prepared By: Gary Benjamin, P.E.
CEO/General Manager

Reviewed By: _____
CEO/General Manager



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

Meeting Date: 2/22/2018

Agenda Item # 11

Subject: Woodward Water Treatment Plant – Paint Lime Silo

Staff was asked to investigate the possibility of painting the Woodward Water Treatment Plant building and lime silo as part of the improvements project. Staff solicited a price to paint the building and lime silo from C. L. Carrol Co. Inc. and received prices of \$19,478.00 to paint the building and \$26,145.00 to paint the lime silo. A copy of the proposal is attached.

The price to paint the lime silo seemed high so staff solicited a second estimate to paint the lime silo from Ginger Protective Coatings, Inc., who has successfully completed painting projects for Xenia in the past. Ginger’s estimate to complete the surface preparation and three coats of paint is \$12,647.00. A copy of this proposal is also attached.

Staff recommends we don’t pursue painting the building at this time. There aren’t any issues with the current paint coating other than the color. There is a chance that Xenia may need to expand the capacity of the treatment plant in the future. Staff would recommend an approach of replacing the wall panels on the original building with the same panels that would be used for the new building addition. That would guarantee a good color match for the whole building.

Budget 2018 Impact – There is a total of \$2,450,000 in the 2017 and 2018 capital budgets for the Woodward Water Treatment Plant Improvements. Engineering fees will total \$339,000 and Alliant Energy’s work will total \$17,671.30. If the painting proposal is accepted, the total costs of non-contract work would be \$369,318.30. That would leave \$2,080,681.70 for completion of the C. L. Carroll Co. Inc. contract. If Change Order No. 3 is approved (earlier agenda item), the contract amount will be \$1,873,811.25.

Recommended Action: Approve proposal to complete surface preparation and painting of the Woodward Water Treatment Plant lime silo from Ginger Protective Coatings, Inc. in the amount of \$12,647.00.

Motion from Board: Motion to approve proposal to complete surface preparation and painting of the Woodward Water Treatment Plant lime silo from Ginger Protective Coatings, Inc. in the amount of \$12,647.00.

Prepared By: Gary Benjamin, P.E.

CEO/General Manager

Reviewed By: _____

CEO/General Manager