

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 18, 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 September 20, 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. 2019 Budget and Water Rates Discussion	Controller
6. Purchasing and Expenditure Control Policy	Controller
7. Johnston's Water Service Agreement Framework Proposal	CEO/GM

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| 8. Manager's Updates | CEO/GM |
| • Boone East Chemical Feed Building | |
| • FEMA Update | |
| • New Saylorville Well Update | |
| 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 15, 2018 at 5:00 pm, Finance Committee meeting will be held November 15, 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: 10/18/2018
Agenda Item # 5

Subject: 2019 Budget and Water Rates Discussion

Attached are the following 2019 budget reports:

- 2019 draft operating budget based on a 0.0% rate increase
- 2019 draft capital improvements budget
- 2019 draft cash flows analysis based on a 0.0% rate increase
- 2019 draft Bouton wastewater system budget based on a 0.0% rate increase

These budgets have been prepared using conservative estimates with the intent of providing a level of comfort that all future cash flow needs will be met.

The 2019 budgets must be passed no later than November 30, 2018.

Budget 2019 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: _____

CEO/General Manager



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

Meeting Date: 10/18/2018
Agenda Item # 6

Subject: Purchasing and Expenditure Control Policy

At the request of the Board, staff has drafted a Purchasing and Expenditure Control Policy designed to provide the CEO with guidance for spending and contracting, including emergency situations. Standard procedures are proposed to keep Board Members informed of significant financial activity, while trying to avoid placing unnecessary burden on staff in an effort to accommodate Board Members.

The policy addresses spending and contracting that falls into the following categories:

1. Operating expenditures (recurring)
2. Operating expenditures (non-recurring)
3. Emergency conditions expenditures
4. Capital acquisitions expenditures
5. Bulk inventory/supply purchases

In addition to the policy, examples of transactions and their reporting requirements have also been provided.

Budget 2019 Impact: No impact

Recommended Action: Discussion only, no action required at this time. A final policy will be brought back for Board approval.

Motion from Board: Discussion only, no action required at this time. A final policy will be brought back for Board approval.

Prepared By: Gary Andrews

Title: Controller

Reviewed By: _____

CEO/General Manager



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

Meeting Date: 10/18/2018
Agenda Item # 7

Subject: Johnston's Water Service Agreement Framework Proposal

Staff has met numerous times with City of Johnston staff regarding the location of the boundary between Xenia's and Johnston's water service areas. Johnston recently annexed approximately 550 acres of area – a significant portion of which is in Xenia's service area. Johnston's staff has voiced a strong desire to serve the customers that will lie within Johnston's city limits and we have let them know our desire to continue to provide water service to the area outside their previous two-mile boundary. Johnston staff recently sent the attached memo and a water service agreement framework proposal.

In summary, they want to provide water service to the annexed area. They propose a buyout option of \$1,374 per acre for the black shaded areas on their map, \$687 per acre for the blue shaded areas and \$2,700 for each existing customer. Their total estimated compensation is approximately \$1.58 million.

Initially, Johnston proposed purchasing water wholesale from Xenia and they would serve the customers in the annexed area. Their ultimate goal would be to eventually install their own water main to serve the area. Once they have their water mains in place, they would no longer purchase water from Xenia.

Staff desires to discuss possible options for providing water service in this area and obtain feedback from the Board so a counter proposal can be drafted and reviewed by the Board before submitting it to Johnston. Attached is a small portion of federal law 1926(b) that provides protection to USDA debt holders from cities annexing into their service areas. This will be helpful information during our discussion.

Budget 2018 Impact – No item included in 2018 budget for this subject.

Recommended Action: Discussion only at this time

Motion from Board: Discussion only at this time.

Prepared By: Gary Benjamin

CEO/GM

Reviewed By: _____

CEO/General Manager