

**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, April 18, 2019  
Time of Public Meeting: 4:00 p.m. Tour of Woodward Water Treatment Plant followed by  
Public Meeting at 5:00 p.m. at District Office  
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                 | Board Chair   |
| 1. Approve Agenda                                   | Board Members |
| 2. Consent Agenda                                   | Board Members |
| a. Approve March 21, 2019 Board Meeting Minutes     |               |
| b. Receive and File Financial Statements            |               |
| c. List of Payments for March, 2019                 |               |
| d. Purchasing and Expenditure Control Policy Report |               |
| e. Customer Service & Accounts Receivable           |               |
| 3. 2018 Audit                                       | CEO/GM        |
| 4. IFA Sinking Fund                                 | CEO/GM        |
| 5. Cost of Service Discussion                       | CEO/GM        |
| 6. Coats Sewer Relining                             | CEO/GM        |
| 7. Manager's Updates                                | CEO/GM        |
| • Consumer Confidence Reports (CCRs)                |               |
| • Johnston  |               |
| • Bagley  |               |
| 8. Departmental Reports                             | CEO/GM        |
| 9. Old Business                                     | Board Members |

10. New Business

Board Members

11. Public Comments

Audience

12. Next Board Meeting will be May 23, 2019 at 5:00 pm, Finance Committee meeting will be held May 23, 2019 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

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Xenia Rural Water District, State of Iowa



23998 141<sup>st</sup> Street  
Bouton, IA 50039  
**BOARD OF DIRECTORS**  
**AGENDA ITEM FORM**

Meeting Date: 4/18/2019

Agenda Item # 2

Subject: Consent Agenda

- A. March 21, 2019 Board Meeting Minutes  
**Recommended Action:** Approve March 21, 2019 Minutes
- B. Financial Statements
  - a. As of March 31, 2019, assets totaled \$134.6 million and liabilities totaled \$116.9 million.
  - b. Total operating income for March was \$1.187 million and net income totaled \$170,057.
  - c. Net Increase in Cash and Cash Equivalents was \$454,038 for March.**Recommended Action:** Receive and file the March 2019 Financial Statements.
- C. List of payments for March, 2019  
**Recommended Action:** Approve March, 2019 payments.
- D. Purchasing and Expenditure Control Policy Report  
**Recommended Action:** Approve the Purchasing and Expenditure Control Policy Report
- E. Accounts Receivable & Customer Service
  - a. For March, 2019, total accounts receivable was \$1,007,777 and \$91,116 was past due.
  - b. District had 25 new service connections and 2 termination(s) in March. The District now has 10,186 active accounts as of March 31, 2019.**Recommended Action:** Receive and file Accounts Receivable & Customer Service report.

Budget 2019 Impact – No impact to budget.

Recommended Action: Approve Consent Agenda Items A, B, C, D and E.

Motion from Board: Motion to approve Consent Agenda Items A, B, C, D and E.

Prepared By: Gary Andrews

Controller

Reviewed By: \_\_\_\_\_

CEO/General Manager



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**BOARD OF DIRECTORS**  
**AGENDA ITEM FORM**

Meeting Date: 4/18/2019

Agenda Item # 3

Subject: 2018 Audit Report Status

The 2018 audit fieldwork was completed in March and the report itself has been reviewed by the in-charge manager and a senior manager. There are no pending items holding the audit up and we anticipate the audit report to be released before the May Board meeting at a cost in line with the budget (\$28,500).

Budget 2019 Impact: Cost of audit should be within the amount budgeted for 2019.

Recommended Action: Information only, no action required

Motion from Board: No action required

Prepared By: Gary Andrews

Title: Controller

Reviewed By: \_\_\_\_\_

CEO/General Manager



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**BOARD OF DIRECTORS**  
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Agenda Item # 4

Subject: IFA Sinking Fund

As authorized at the March 2019 Board Meeting, staff has established a sinking fund for the outstanding loan held with Iowa Finance Authority.

The \$1,468,168.38 loan was refinanced in 2013 as part of the Forbearance Agreement and has very favorable terms including a 0.00% interest rate and a lump-sum final payment due date of January 1, 2032. A copy of the Subordinate Water Revenue Project Note is attached.

Xenia has been making good faith payments on the loan every year since and the loan balance is now \$1,338,168.38.

With the lump-sum balance due on January 1, 2032, the District has 153 months to fully fund the final payment which amounts to transferring \$8,746/month into the IFA Sinking Fund.

Moving funds into the IFA Sinking Fund in this manner, will avoid a situation where a large payment will need to be budgeted in one year (2032) to pay off the IFA loan.

Staff still anticipate making good faith payments each year, which will be paid out of the IFA Sinking Fund.

Budget 2019 Impact: Funding the IFA Sinking Fund was not in the 2019 budget. Some of the funds normally directed to the Surplus Fund will be directed to this fund.

Recommended Action: Information only, no action required

Motion from Board: No action required

Prepared By: Gary Andrews

Title: Controller

Reviewed By: \_\_\_\_\_

CEO/General Manager



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Agenda Item # 5

Subject: Cost of Service Discussion

In addition to determining the necessary rates for residential and commercial water users, each year Xenia staff also calculate costs of service for the large bulk water users including cities with emergency connection agreements.

These cost of service studies determine rates to charge based on direct costs, indirect costs and the volume of water consumed to reach a cost per thousand gallons. This is achieved by keeping track of costs in an alternate set of accounting records separate from the general ledger accounting records known as activity-based cost accounting (see example attached). With activity-based cost accounting, staff can determine the cost to maintain and operate each major piece of infrastructure in each water system and apply them to the cost to deliver water to each bulk water user.

Calculations for all are based on twelve months of data beginning with November of the previous year. The reasons for this are twofold: 1) The ethanol plant contracts specify the calculations begin with November data from the previous year and 2) With data used through October, staff can generate cost of service studies and have the Board approve rates in time for rate adjustments to be implemented the following January.

Xenia staff have the ability to expand the cost of service studies to include other identifiable groups of water users such as franchise communities and larger development areas if the Board determines this to be a desired approach.

Budget 2019 Impact: Impact not determined at this time

Recommended Action: Information only, no action required

Motion from Board: No action required

Prepared By: Gary Andrews

Title: Controller

Reviewed By: \_\_\_\_\_

CEO/General Manager



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Meeting Date: 4/18/2019

Agenda Item # 6

Subject: Coats Sewer Relining

Staff has worked with AccuJet LLC to complete inspection of the Coats sewer system. The inspection included cleaning, root removal and video inspection to determine the condition of the sewer system. Four stretches (from manhole to manhole) of sewers need some repairs/maintenance before the video camera can pass through to complete the video inspection.

Of the sewer stretches inspected to date, problems were found in seven stretches that have issues that require relining. Relining involves installing a new fiberglass pipe inside the existing sewer and then going back and cutting holes in the new lining at the locations where homeowner's sewer laterals enter the sewer mains. AccuJet is the only local company that completes sewer relining projects so their prices are much lower (without all the travel and lodging expenses) than the out-of-state companies that reline sewers.

AccuJet has submitted a proposal to reline the seven stretches that require relining. Three of the seven stretches have cracked pipe and the relining will eliminate the future structural failure of these stretches. Four of the seven stretches had significant tree root intrusion into the sewer mains. Relining these sewer stretches will prevent future tree root issues.

The quote for relining the seven sewer stretches, with a total of 2,204 feet of sewer main, is \$71,508. The funds to complete this work will come from the Surplus Fund and will be repaid with capital improvement funds as discussed when setting the new Coats sewer rates.

Budget 2019 Impact: Funding for the Coats sewer relining was not in the 2019 budget. The funds for this project will come from the Surplus Fund and will be repaid (with interest) from the capital portion of the new Coats sewer rates.

Recommended Action: Approve the quote from AccuJet LLC to reline seven stretches of the Coats sewer system for a total cost of \$71,508.

Motion from Board: Motion to approve the quote from AccuJet LLC to reline seven stretches of the Coats sewer system for a total cost of \$71,508.

Prepared By: Gary Benjamin

Title: CEO/General Manager

Reviewed By: \_\_\_\_\_

CEO/General Manager