

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, January 24, 2019
Time of Public Meeting: 4:00 p.m. Tour of Woodward Water Treatment Plant followed by
Public Meeting at 5:00 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	Chairman of the Board
1. Approve Agenda	Board Members
2. Approve December 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. Annual Meeting Update	CEO/GM
6. Employee 2018 Compensation Review and File	CEO/GM
7. 2019 Employee Salaries	CEO/GM
8. Purchasing and Expenditure Control Policy	Controller
9. Purchase New Skid Loader	CEO/GM
10. USDA Reserve Fund	CEO/GM
11. Coats Wastewater Rates	CEO/GM

12. Woodward Water Treatment Plant 2017 Improvements
Change Order No. 5 CEO/GM
13. Woodward Water Treatment Plant 2017 Improvements
Contract Acceptance CEO/GM
14. Purchase New Pickup CEO/GM
15. Closed Session – Iowa Code 21.5(c) re: water service area boundary matter involving Johnston
 - a. Motion to go into closed session
 - b. Closed Session
 - c. Motion to return to open session
16. Open Session
 - a. Action regarding options for lawsuit negotiations
17. Manager’s Updates CEO/GM
 - Total New Customers in 2018
 - Newsletter
 - February Board Meeting Date
18. Departmental Reports CEO/GM
19. Old Business Board Members
20. New Business Board Members
21. Public Comments Audience
22. Next Board Meeting will be February 21, 2019 at 5:00 pm, Finance Committee meeting will be held February 21, 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

Xenia Rural Water District, State of Iowa



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

Meeting Date: 1/24/2019

Agenda Item # 5

Subject: Annual Meeting Update

The 2019 Annual Meeting is scheduled for April 18th at 6:00 PM. We have 3 current board seats that will be up for re-election (Troy Wilson, Gary Becker and Peter Jensen). In the past we have sent out information to our membership informing them of the vacancies and soliciting candidates. In order to give our members time to decide whether or not to run for the Board of Directors, staff began mailing out the attached letter to our membership beginning with the billing on January 14th. The letter is being inserted with the billings for the month to save on postage.

As detailed in the letter, potential candidates will have until February 15th to submit an application to the Xenia office. Staff will mail out proxies beginning with the March 4th bill, utilizing the billing schedule to again save on costs. Proxies would be due in the office April 12th.

Staff would also recommend holding the 2019 Annual Meeting at the Bouton office.

Budget 2019 Impact: N/A

Recommended Action: Staff would recommend the Board form a Nomination Committee to review the applications and meet the candidates.

Motion from Board: Discussion by Board members.

Prepared By: Corey Iben

HR & Administration

Reviewed By: _____

CEO/General Manager



23998 141st Street
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BOARD OF DIRECTORS
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Meeting Date: 1/24/2019

Agenda Item # 6

Subject: Employee 2018 Compensation Review and File

As an internal control feature suggested by the State Auditor's office, the Xenia Board is requested to review the District's actual payroll results on an employee by employee basis and compare it to the amount budgeted for each employee. The purpose of this is to avoid any unauthorized and/or unreasonable compensation changes from the approved budget.

Presented in the 2018 employee compensation summary is the amount budgeted for each employee, the actual wages/salaries paid out during the year, the amount by which actual pay is over or under the amount budgeted and an explanation of the variance. This information is shown on the attached Payroll Budget to Actual spreadsheet.

Budget 2019 Impact: None

Recommended Action:
Review the budget to actual results and file the information.

Motion from Board:
Motion to review the budget to actual results and file the information.

Prepared By: Gary Andrews

Title: Controller

Reviewed By: _____

CEO/General Manager



23998 141st Street
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BOARD OF DIRECTORS
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Agenda Item # 7

Subject: 2019 Employee Salaries

As an internal control feature suggested by the State Auditor's office, the Xenia Board is requested to review the District's 2019 payroll budget on an employee by employee basis. The purpose of this is to avoid any unauthorized and/or unreasonable compensation changes from the approved budget.

Presented in the attached 2019 payroll budget is the amount budgeted for each employee. The payroll budget is broken down into three categories: regular pay for standard 40 hour/week wages, payroll budgeted for overtime and payroll budgeted for pager/afterhours calls.

The 2019 payroll budgeted is also presented by general ledger account to match the 2019 operating budget passed by the Board last November.

Budget 2019 Impact: None

Recommended Action:
Review the 2019 employee salaries budget and file the information.

Motion from Board:
Motion to review the 2019 employee salaries budget and file the information.

Prepared By: Gary Andrews

Title: Controller

Reviewed By: _____

CEO/General Manager



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Agenda Item # 8

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. Capital acquisitions expenditures
4. Emergency conditions expenditures

Budget 2019 Impact: No impact

Recommended Action: Discussion, potential modification and approval by the Board.

Motion from Board: Motion to approve the purchasing and expenditure control policy in its current or amended form.

Prepared By: Gary Andrews

Title: Controller

Reviewed By: _____

CEO/General Manager



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BOARD OF DIRECTORS
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Agenda Item # 9

Subject: Purchase New Skid Loader

The 2019 capital budget includes \$65,000 for replacement of our Caterpillar skid loader. Staff solicited quotes from four skid loader dealers and asked them to include a trade-in price for our existing skid loader. The quotes (including trade-in values) received are:

<u>Make</u>	<u>Capital City Kubota</u>	<u>Bobcat of Ames</u>	<u>Titan Machinery</u>	<u>Van Wall Equip. Inc.</u>
Kubota (96 HP)	\$45,970.00	-	-	-
Case (90HP)	-	-	\$39,400.00	-
John Deere (-	-	-	\$55,850.00
Bobcat (92 HP)	-	\$46,115.68	-	-

Based on the bids, staff will recommend purchasing a Case skid loader from Titan Machinery and trading in the existing skid loader for a cost of \$39,400. Staff had the opportunity to operate the Case skid loader and were impressed with its operation and the overall visibility from the seat of the machine.

Titan offered a 36-month, zero deductible extended warranty for \$2,100. We need to purchase a new set of forks for the new skid loader and the price for that is \$950. The total trade-in cost with these two items is \$42,450.

We do have two employees that are interested in purchasing our existing skid loader for the same \$16,400 figure Titan offered for the trade-in. One of the employees will purchase the existing skid loader, so we will pay Titan Machinery \$58,850 and collect \$16,400 from the employee for a final cost of \$42,450.

Allowance in the 2019 budget is \$65,000 and the recommended skid loader, extended warranty and forks purchase (with selling the existing skid loader) cost is \$42,450. The recommendation would be \$22,550 under budget.

Recommended Action: Approve the purchase of a new skid loader with extended warranty and forks from Titan Machinery for \$58,850 and selling the existing skid loader for \$16,400 for a final cost of \$42,450.00.

Motion from Board: Motion to approve the purchase of a new skid loader with extended warranty and forks from Titan Machinery for \$58,850 and selling the existing skid loader for \$16,400 for a final cost of \$42,450.00.

Prepared By: Gary Benjamin

CEO/General Manager

Reviewed By: _____

CEO/General Manager



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BOARD OF DIRECTORS
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Meeting Date: 1/24/2019

Agenda Item # 10

Subject: USDA Reserve Fund

Xenia's USDA Reserve Fund is currently underfunded by \$998,716. USDA has granted Xenia until 2023 to fully replenish the reserve (see attached replenishment schedule). Due to the increasing balance in Xenia's Surplus Fund (currently \$9,370,368), the suggestion has been made to use some funds to replenish the USDA Reserve Fund ahead of schedule.

It's worth noting that Xenia was provided with the same replenishment time horizon for the Bond Reserve Fund. However, Xenia replenished 100% of the Bond Reserve Fund in 2016, in order to refinance the Series 2006 Bonds.

By modifying Xenia's current budget projections to reflect full replenishment in 2019, it is anticipated Xenia will still have sufficient cash available to fully replenish the USDA Reserve Fund without concern for Xenia's current or future cash flows needs for operating, capital or debt service. See the attached Projected Cash Flows for 2018 – 2024.

Replenishing the USDA Reserve Fund has no impact on the debt service coverage ratio which needs to stay above 1.20.

Budget 2019 Impact - Allowance in Budget: \$164,964

Xenia's budget has planned for meeting the \$164,964 mandatory replenishment.

Recommended Action: Authorize staff to fully replenish the USDA Reserve Fund by transferring \$998,716 from the Surplus Fund to the USDA Reserve Fund.

Motion from Board: Motion to authorize staff to fully replenish the USDA Reserve Fund by transferring \$998,716 from the Surplus Fund to the USDA Reserve Fund.

Prepared By: Gary Andrews

Controller

Reviewed By: _____

CEO/General Manager



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Agenda Item # 11

Subject: Coats Wastewater Rates

Xenia maintains both a water distribution system and wastewater system for the Coats subdivision. The current wastewater rate is structured based on water consumption as follows:

Base rate: \$32.00/first 2,000 gallons

Variable: \$2.30/each 1,000 gallons beyond the first 2,000 gallons

Staff has determined, based on the 2018 cost of service study, that the base rate should increase to \$33.00 and the variable rate should increase to \$2.50. This will mark the fourth time Coats residents have seen a sewer rate increase since Xenia took over the Coats system in 2007 (12 years ago).

The major considerations for the increase are:

1. Xenia will be spending roughly \$300,000 to refurbish the wastewater system/lagoon over the next two years.
2. Xenia paid off Coats' \$40,232 outstanding wastewater loan assumed by the District.

Budget 2019 Impact:

The rate increase should result in an additional \$1,300 of wastewater revenues per year.

Recommended Action: Effective with the February 2019 consumption, increase the wastewater rate for the Coats subdivision to a base rate of \$33.00 and a variable rate of \$2.50 for each 1,000 gallons over the 2,000 gallon base and authorize staff to provide notification.

Motion from Board: Motion to increase the wastewater rate for the Coats subdivision effective with the February 2019 consumption to a base rate of \$33.00 and a variable rate of \$2.50 for each 1,000 gallons over the 2,000 gallon base and authorize staff to provide notification.

Prepared By: Gary Andrews

Controller

Reviewed By: _____

CEO/General Manager



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Meeting Date: 1/24/2019

Agenda Item # 12

Subject: Woodward Water Treatment Plant 2017 Improvements – Change Order 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 \$1,800,696.00. The Board approved Change Order No. 1 in the amount of \$1,844.00 at the June, 2017 Board meeting, Change Order No. 2 in the amount of \$31,173.00 at the November, 2017 Board meeting, Change Order No. 3 in the amount of \$40,098.25 at the February, 2018 Board meeting and Change Order No. 4 in the amount of \$12,253.50 at the May, 2018 Board meeting. The result of these change orders is a revised contract amount of \$1,886,064.75.

C. L. Carroll was asked to submit a change order to eliminate replacement of filter underdrain tiles. Replacement of four (4) 12"X24" clay underdrain tiles was included in the original scope of work to obtain a unit price in the event broken tiles were found once all of the filter media was removed during construction. No tiles were found to be damaged.

The net deduct to the contract amount from this change order is (\$2,000). 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 \$1,884,064.75.

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, Alliant Energy's work totaled \$17,280.21 and painting the lime silo will total \$12,647 leaving \$2,081,072.79 for completion of this project.

Recommended Action: Approve Woodward Water Treatment Plant 2017 Improvements Change Order No. 5 for C. L. Carroll Co., Inc., in the deduct amount of (\$2,000).

Motion from Board: Motion to approve Woodward Water Treatment Plant 2017 Improvements Change Order No. No. 5 for C. L. Carroll Co., Inc., in the deduct amount of (\$2,000).

Prepared By: Gary Benjamin, P.E.

CEO/General Manager

Reviewed By: _____

CEO/General Manager



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Meeting Date: 1/24/2019

Agenda Item # 13

Subject: Woodward Water Treatment Plant 2017 Improvements – Contract Acceptance

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, Change Order No. 2 in the amount of \$31,173.00 at the November, 2017 Board meeting, Change Order No. 3 in the amount of \$40,098.25 at the February, 2018 Board meeting and Change Order No. 4 in the amount of \$12,253.50 at the May, 2018 Board meeting. Change order No. 5 in the deduct amount of (\$2,000) is recommended for approval in an earlier agenda item. The result of these change orders is a revised contract amount of \$1,884,064.75.

The Board previously approved Payment Application Nos. 1 through 16 in the total amount of \$1,864,066.75. C.L. Carroll has completed all work for this project and has submitted a Final Payment Application in the amount of \$19,998.00 to HR Green and they have reviewed and approved the application. A copy of the Final Payment Application is attached.

If the Board approves acceptance of this contract, the remaining balance of \$19,998.00 will be paid once the mandatory 30-day waiting period has expired.

Budget 2017 Impact – There was a total of \$2,450,000 in the 2017 and 2018 capital budgets for this project. Engineering fees totaled \$339,000, Alliant Energy’s work totaled \$17,280.21 and painting the lime silo totaled \$12,647 leaving \$2,081,072.79 for completion of this project. The total Woodward Water Treatment Plant 2017 Improvements project is \$197,008.04 under budget.

Recommended Action: Accept the Woodward Water Treatment Plant 2017 Improvements project and approve final payment to C. L. Carroll Co., Inc., in the amount of \$19,998.00 once the mandatory 30-day waiting period has expired.

Motion from Board: Motion to accept the Woodward Water Treatment Plant 2017 Improvements project and approve final payment to C. L. Carroll Co., Inc., in the amount of \$19,998.00 once the mandatory 30-day waiting period has expired.

Prepared By: Gary Benjamin, P.E.

CEO/General Manager

Reviewed By: _____

CEO/General Manager



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Meeting Date: 1/24/2019
Agenda Item # 14

Subject: Purchase New Pickup Truck

The 2019 capital budget includes \$30,000 for a new pickup to replace an existing pickup that has 190,000 miles. Staff requested quotes from four Chevrolet dealers for a half-ton double cab truck. We received three quotes as follows:

Karl	Bob Brown	Shottenkirk	Deery Brothers
<u>Chevrolet</u>	<u>Chevrolet</u>	<u>Chevrolet</u>	<u>Chevrolet</u>
\$31,360	\$30,759	\$30,123	\$33,163

Based on the above quotes, staff will recommend purchasing a new half-ton double cab pickup from Shottenkirk Chevrolet at a cost of \$30,123.

We plan to sell the existing pickup and would anticipate a sale price of around \$2,000 - \$2,500.

Budget 2019 Impact – The 2019 capital budget includes \$30,000 for a new pickup.

Recommended Action: Approve the purchase of a new pickup from Shottenkirk Chevrolet for a cost of \$30,123 and authorize staff to sell the existing Chevrolet 1500 pickup.

Motion from Board: Motion to approve the purchase of a new pickup from Shottenkirk Chevrolet for a cost of \$30,123 and authorize staff to sell the existing Chevrolet 1500 pickup.

Prepared By: Gary Benjamin
CEO/General Manager

Reviewed By: _____
CEO/General Manager