

Agenda Item 7.C.

Washington County Rural Water Advisory Board #2

Meeting Minutes

May 26, 2011

A meeting of the Washington County Rural Water #2 Advisory Board was held at the NRD field office in Blair, Nebraska, on Thursday, May 26, 2011. The meeting was called to order by Larry Kusek at 7:04 PM.

QUORUM CALL:

Quorum call was taken. The following members and individuals were in attendance:

<u>Advisory Board Members</u> <u>Present</u>	<u>Advisory Board Members</u> <u>Absent</u>	<u>Others in Attendance</u>
John Kirk John Kuti Larry Kusek	Wayne Talbert Jim Zavadil	Dick Sklenar, NRD Staff George Tillwick, NRD Staff

ADOPTION OF AGENDA:

Discussion was called for on the tentative agenda. It was moved by Kuti, and seconded by Kirk, that the agenda be adopted.

Roll call was taken on the motion. The motion passed by a vote of 3 to 0.

Voting Yea: Kuti, Kirk and Kusek

Voting Nay: None

Abstaining: None

Absent: Talbert, Zavadil

REVENUE AND WATER USE REPORTS:

Statistical information was handed out to Advisory Board members present. Dick Sklenar reported that water consumption and revenues showed little change from the previous fiscal year. There was further discussion.

OPERATIONS REPORT:

It was noted that there were 4 water line breaks during the current fiscal year. Two of the worst ones were along County Road 32 affecting the 12 inch transmission main.

Dick also stated that during a 5-week period, commencing in March, Washington County Rural Water #2 was transferring water to Washington County Rural Water #1 while the Metropolitan Utilities District was doing a thorough inspection of their concrete water mains in the area. Because there was some concern regarding the accuracy of the 4 inch water meter at Blair's point-of-delivery to the system, a new meter was installed in April at a cost of about \$2100. Country Estates Mobile Home Park also requested that a new 2 inch water meter be installed. They agreed to pay for the cost of that meter. The City of Blair also increased the wholesale water rate 13% last October.

It was moved by Kirk, and seconded by Kusek, that the water use/revenue and operation reports be accepted.

Roll call was taken on the motion. The motion passed by a vote of 3 to 0.

Voting Yea: Kuti, Kirk and Kusek

Voting Nay: None

Abstaining: None

Absent: Talbert, Zavadil

RECOMMENDATION ON ADJUSTMENT OF WATER RATES:

It was stated by Dick Sklenar that the District's Board of Directors took action earlier this month to refinance the rural water systems revenue bonds. This was necessary because the projections for new services and revenues did not meet expectations. The interest rate on current revenue bonds was 4.15% to 4.75%. The reissue of new revenue bonds would have an interest rate of 1 to 5% over a 20 year period. All Advisory Board members agreed that it was a good time to refinance.

Due to higher operating costs, it was indicated that an adjustment to the current water rates would be necessary this year. A couple of examples of proposed rate schedule changes were provided to Advisory Board members. The last water rate adjustment occurred on October 1, 2008. After further discussion board members agreed that a rate adjustment would be necessary.

It was moved by Kirk, and seconded by Kusek, that the Advisory Board recommends to the District's Board of Directors that the following water rate schedule adjustment be effective September 1, 2011;

Minimum Base Charge	\$17.00
First 10,000 gallons	\$4.50/1,000 gallons
Next 10,000 gallons	\$3.10/1,000 gallons
Next 30,000 gallons	\$2.15/1,000 gallons
All over 50,000 gallons	\$1.70/1,000 gallons

Roll call was taken on the motion. The motion passed by a vote of 3 to 0.

Voting Yea: Kuti, Kirk and Kusek
Voting Nay: None
Abstaining: None
Absent: Talbert, Zavadil

A draft of the budget for Fiscal Year 2012 was presented. Dick Sklenar noted that there were no dramatic increases to any items in the proposed budget. He further mentioned that the final budget amount will be determined once the exact amount of cash on hand is revealed on July 1. There was further discussion regarding the budget for Fiscal Year 2012.

It was moved by Kuti, and seconded by Kirk, that the Advisory Board recommends to the District Board of Directors that the proposed budget for 2012 be adopted.

Roll call was taken on the motion. The motion passed by a vote of 3 to 0.

Voting Yea: Kuti, Kirk and Kusek
Voting Nay: None
Abstaining: None
Absent: Talbert, Zavadil

RECOMMENDATION ON RETURNED CHECK FEE:

The current fee for returned checks that have not cleared is \$15.00. This amount has not been adjusted for more than 10 years.

It was moved by Kirk, seconded by Kusek, that the Advisory Board recommends to the District's Board of Directors that the returned check fee be adjusted to \$25.00.

Roll call was taken on the motion. The motion passed by a vote of 3 to 0.

Voting Yea: Kuti, Kirk and Kusek
Voting Nay: None
Abstaining: None
Absent: Talbert, Zavadil

ADJOURNMENT:

There being no further business, the meeting adjourned by acclamation at 8:42 PM.