

Agenda Item 7.B.

Thurston County Rural Water Advisory Board
Meeting Minutes
May 25, 2011

A meeting of the Thurston County Rural Water Advisory was held at the NRD field office in Walthill, Nebraska, on Wednesday, May 25, 2011. The meeting was called to order by Chairperson Harlan Witte at 7:33 PM

QUORUM CALL:

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

Advisory Board Members Present	Advisory Board Members Absent	Others In Attendance
Harlan Witte	Rob Bonderson	Dick Sklenar, NRD Staff
Marvin Baker	Larry Athey	Dennis Cady, NRD Staff
Bruce Paeper		

ADOPTION OF AGENDA:

Discussion was called for in the tentative agenda. It was moved by Witte, and seconded by Baker, that the agenda be adopted.

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

Voting Yes: Witte, Baker, Paeper
Voting No: None
Abstaining: None
Absent: Bonderson, Athey

WATER USAGE REPORT

It would appear that for the third straight year the total amount of water sold would have declined. A bar graph was distributed indicating the historical usage of water sold since the construction of the system. The weather has always been a factor regarding usage by consumers.

OPERATIONS AND FINANCIAL REPORT

Dick Sklenar mentioned that the painting of the interior of the water tower was completed this month. Maquire Iron Inc. was the low bidder for the work. The water tower was placed back into service on May 20 after receiving permission from the Nebraska Department of Health. After several weeks, a troublesome water leak was finally detected along Highway 94. Melting snow made it difficult to detect and the repairs were made within one day. There was further discussion.

It was moved by Witte, and seconded by Paeper, that the water use and financial reports be accepted.

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

Voting Yes: Witte, Baker, Paeper
Voting No: None
Abstaining: None
Absent: Bonderson, Athey

RECOMMENDATION ON RETURNED CHECK FEES

The returned check fee has not been updated for more than 10 years. Harlan Witte inquired as to how many checks were returned annually. Dick Sklenar responded that about a handful is what is normally encountered. The current fee for returned checks is \$15.

It was moved by Paeper, and seconded by Baker, that the returned check fee be increased to \$25 commencing on July 1, 2011.

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

Voting Yes: Witte, Baker, Paeper
Voting No: None
Abstaining: None
Absent: Bonderson, Athey

RECOMMENDATION ON FISCAL YEAR 2012 BUDGET

The budget for fiscal year 2012 was presented to the Advisory Board Members. No major or unusual expenditures are expected for the fiscal year. Dick Sklenar did mention that in the next 4 to 10 years, major expenditures can be expected. There was further discussion.

It was moved by Paeper, and seconded by Baker, that the proposed draft budget for Fiscal Year 2012 be recommended for approval by the District's Board of Directors.

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

Voting Yes: Witte, Baker, Paeper
Voting No: None
Abstaining: None
Absent: Bonderson, Athey

RECOMMENDATION ON REFINANCING OF EXISTING LOANS

Dick Sklenar mentioned that shortly after the rural water system increased its water rates to its customers, the Village of Pender did so as well for all of its consumers. The Advisory Board appeared to agree that an additional rate increase may well be necessary in the next couple of years. Dick Sklenar stated that in light of some major expenditures that will be occurring in the next 4 to 10 years (i.e. painting exterior of water tower, overhaul of pumps and motors, control systems, etc.), the refinancing of the current debt service is an alternative that should be explored. The current amount of principal still owed for debt service is approximately \$400,000. It is expected that refinancing may provide a reduction in the annual debt service by about \$8,000. Such a reduction would provide additional operating capital to meet large expenditures in future years. Advisory Board Member Bruce Paeper felt it would be in the best interest to investigate the possibility of refinancing the existing loans. Interest rates on revenue bonds are attractive so far this year.

It was moved by Witte, and seconded by Paeper, that the Advisory Board recommends to the District's Board of Directors to investigate the refinancing of the existing loans for the Thurston County Rural Water system.

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

Voting Yes: Witte, Baker, Paeper

Voting No: None

Abstaining: None

Absent: Bonderson, Athey

ADJOURNMENT

There being no further business, the meeting adjourned by acclamation at 8:20 PM.