

# ANNUAL MEETING



HOLIDAY INN . MINOT, ND

MONDAY, MARCH 13, 2017

6:00 . REGISTRATION

6:30 . DINNER

7:15 . MEETING

## **AGENDA**

1. Call to order
2. Reading and approval of minutes
3. Financials presented by Angela Jung of Brady Martz
4. Reports
  - a. Eric Volk w/NDRWA
  - b. General Manager ~ Teresa Sundsbak
5. Old business
6. New business
  - a. Reading and approval of nominating committee minutes
  - b. Election of Directors
  - c. Appoint Nominating Committee
  - d. Water Cents Scholarship recipients
7. Appointment of nomination committee
8. Door prizes
9. Adjournment

## 2016 Annual Meeting Minutes

### Holiday Inn Minot ND

March 21, 2016

**CALL TO ORDER:** President Linrud welcomed everyone and called the meeting to order at 7:30 PM.

**MINUTES:** John Bearman read the minutes of the 2015 annual meeting. Motion by Dan Schaefer and seconded by Steve Moen to approve the minutes as presented. Motion carried.

**FINANCIAL REPORT:** Angela Jung from Brady Martz presented the financial audit on behalf of Jim Wosepka who conducted the audit and we were given a "clean opinion". This is the best opinion that you can receive. There being no questions on the audit, motion by Clay Anderson and seconded by Blaine Kotasek to approve the financial audit. Motion carried.

**GENERAL MANAGER'S REPORT:** Manger Teresa Sundsbak gave a brief update on improvements that were in the works for 2016. Also we will be putting in a in line booster station south of sawyer which will enable us to push water faster to the south and west of Highway 83. A 8 inch main transmission line will be installed from Res 10 to Res 6 with install of a water tower to create redundancy in system for customers to help with water outages in emergency situations. NCRWC Deering Granville Surrey part B City of Deering will be online spring of 2016. NCRWC Deering Granville Surrey Part C construction will begin in the spring of 2016. Berthold Carpio PHII construction slated for 2017-2018. Nolan Schmitz our BSC scholarship award winner will become part of our team upon completion of school in 2016. Sundsbak thanked the board for their support this past year.

Presentation by Mr. Hournbuckle regarding storage, inline boosters, improvements and growth. Slide show on system layout progress over years, construction funding, user growth and allocation of funds.

Presentation by Mr. Volk regarding the North Dakota Rural Water Systems Association's role, funding and sustainability. North Prairie began in 1974. There are 32 Rural Water Systems, serving 250 cities.

**OLD BUSINESS:** President Linrud called for old business. No old business.

**NEW BUSINESS:** President Linrud called for new business. No new business.

**NOMINATION & ELECTION OF DIRECTORS:** Laddie Long read the nominating committee minutes. Mr. Linrud called for any further nominations from the floor. Dan Schaefer moved to cast a unanimous ballot for the nominees and seconded by Laddie Long. Motion carried. Blaine Kotasek was re-elected and Justin Hanson was elected to the board.

**NOMINATING COMMITTEE:** President Linrud asked for volunteers to serve on the 2017 nominating committee. Dan Schaefer, Linda Anderson and Kim Kraft volunteered.

President Linrud adjourned the meeting at 8:40pm, seconded by Dan Schaefer.

**DRAWING FOR DOOR PRIZES**

**NORTH PRAIRIE RURAL WATER DISTRICT**  
**STATEMENT OF NET POSITION**  
**AS OF DECEMBER 31, 2016**

**ASSETS**

<b>CURRENT ASSETS</b>	
Cash and cash equivalents	1,001,373
Accounts receivable (less allowance for doubtful accounts of \$16,481)	318,867
Interest receivable	146
Prepaid expenses	18,080
Total current assets	<u>1,338,466</u>
<b>CAPITAL ASSETS</b>	
Water plant in service	23,712,016
Construction in progress	1,881,511
Less accumulated depreciation	<u>(8,709,516)</u>
Net utility plant	<u>16,884,011</u>
<b>OTHER ASSETS AND INVESTMENTS</b>	
Cash reserved for debt service	1,124,609
Investments - certificates of deposit	82,032
Investments in associated companies	161,312
Total other assets and investments	<u>1,367,953</u>
<b>TOTAL ASSETS</b>	<u><u>19,590,430</u></u>

**LIABILITIES AND NET POSITION**

<b>CURRENT LIABILITIES</b>	
Accounts payable	115,871
Accrued liabilities	65,720
Interest and fee payable	87,291
Current portion of long-term debt	449,782
Total current liabilities	<u>718,664</u>
<b>LONG-TERM LIABILITIES</b>	
Long-term debt	9,474,674
Water cents program	121,797
Total long-term liabilities	<u>9,596,471</u>
<b>TOTAL LIABILITIES</b>	<u>10,315,135</u>
<b>NET POSITION</b>	
Net investment in capital assets	6,959,555
Restricted reserve for debt service	1,124,609
Unrestricted	1,191,131
<b>TOTAL NET POSITION</b>	<u><u>\$ 9,275,295</u></u>

SEE NOTES TO THE FINANCIAL STATEMENTS

**NORTH PRAIRIE RURAL WATER DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

OPERATING REVENUE	
Water sales	\$ 3,139,402
New member hook up and user fee	105,510
Other	483,729
Total operating revenue	<u>3,728,641</u>
OPERATING EXPENSES	
Operations and maintenance	
Sewer	21,868
Cost of water	858,111
Labor and benefits	700,236
Utilities	235,336
Chemical and supplies	189,636
Repairs and maintenance	240,582
Miscellaneous	1,393
Transportation expense	83,948
Administration and general expenses	
Billing and software support	11,160
Office repairs and maintenance	31,360
Postage and delivery	16,755
Dues, fees and subscriptions	6,051
Utilities	28,537
Bad debt expense	6,322
Training	1,992
Miscellaneous	6,483
Insurance	23,025
Board and meeting expense	27,241
Marketing and advertising	10,635
Legal and professional	131,250
Depreciation expense	856,339
Total operating expenses	<u>3,488,260</u>
OPERATING INCOME (LOSS)	<u>240,381</u>

SEE NOTES TO THE FINANCIAL STATEMENTS

**NORTH PRAIRIE RURAL WATER DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

<b>NON-OPERATING REVENUE (EXPENSES)</b>	
Impact source fees	24,978
Interest and dividend income	10,581
Interest and fee expense	(347,185)
Gain/(loss) on sale of fixed assets	4,180
Total non-operating revenue (expenses)	<u>(307,446)</u>
<b>GRANT REVENUE</b>	<u>1,028,695</u>
<b>CHANGE IN NET POSITION</b>	<u>961,630</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	8,313,665
<b>CHANGE IN NET POSITION</b>	<u>961,630</u>
<b>TOTAL NET POSITION END OF YEAR</b>	<u><u>\$ 9,275,295</u></u>

SEE NOTES TO THE FINANCIAL STATEMENTS

**NORTH CENTRAL RURAL WATER CONSORTIUM II**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2016**

<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	1,454,780
Accounts receivable	132,484
Prepaid expenses	4,134
Total current assets	1,591,398
Investments:	
Reserved for construction	651,535
Total investments	651,535
Capital Assets:	
Construction in progress	5,596,070
Water system	46,677,866
Less: Accumulated depreciation	(5,463,698)
Net Capital Assets	46,810,238
<b>TOTAL ASSETS</b>	<b>49,053,171</b>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	40,161
Accrued interest	299,839
Other accrued liabilities	34,312
Cash reserved for CPIS	46,453
Unearned revenue	187,983
Loans and bonds payable	305,494
Total current liabilities	914,242
Noncurrent liabilities:	
Loans and bonds payable	20,942,054
Total noncurrent liabilities	20,942,054
<b>TOTAL LIABILITIES</b>	<b>21,856,295</b>
<b>NET POSITION</b>	
Net investment in capital assets	25,562,690
Restricted for debt service	1,314,650
Restricted for construction	660,047
Unrestricted	(340,511)
<b>TOTAL NET POSITION</b>	<b>\$ 27,196,876</b>

SEE NOTES TO THE FINANCIAL STATEMENTS

**NORTH CENTRAL RURAL WATER CONSORTIUM II**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

Operating revenues:	
Water sales	\$ 1,578,411
User agreement income	6,850
Penalty Fee income	19,940
Transfer Fee income	2,500
Feasability fee income	75
Other income	79,851
Total operating revenues	<u>1,687,627</u>
Operating expenses:	
Cost of water	421,587
Contract management	35,230
Repairs and maintenance	45,139
Supplies	53,725
Insurance	8,296
Professional services	67,979
Administration	19,797
Depreciation expense	850,407
Other operating expenses	9,925
Total operating expenses	<u>1,512,085</u>
Operating income (loss)	<u>175,542</u>
Non-operating revenues (expenses):	
Grant income	1,875,661
Management Fee	216,950
Interest income	679
Interest expense	(744,146)
Total non-operating revenues (expenses)	<u>1,349,144</u>
Change in net position	1,524,686
Net position - December 31, 2015	<u>25,672,190</u>
Net position - December 31, 2016	<u>\$ 27,196,876</u>

SEE NOTES TO THE FINANCIAL STATEMENTS



2016 Nominating Committee Meeting Minutes  
North Prairie Office  
February 17<sup>th</sup> 2017

2016 Nominating Committee met at North Prairies Office on February 17<sup>th</sup> 2016. Committee members present were: Dan Schaefer, Kim Kraft, Linda Anderson and Teresa Sundsbak Manager.

The meeting was called to order by Sundsbak at 11:00 A.M. Schaefer nominated Kraft as chairman seconded by Anderson with nominations to seize and a unanimous ballot be cast. Motion carried.

Motion by Schaefer seconded by Anderson to approve the 2016 minutes as presented. Motion carried.

Nominations were opened for expiring NPRWD Directors:

Schaefer nominated John Bearman for area 1D, Clay Anderson for area 6D and Maria Effertz Hanson for area 3D. Anderson moved that nominations seize and a unanimous ballot be cast. Motion carried.

There being no further business the meeting was adjourned. Motion by Anderson seconded by Schaefer. Motion carried.