

****The January 26, 2021, Board of Water Works Trustees Meeting will be conducted online****

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Meeting ID: 881 5531 1418

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MEETING
Board of Water Works Trustees
Des Moines Water Works
January 26, 2021
3:30 p.m.

Decision Agenda

I. Consent Agenda:

- A. Minutes, December 22, 2020, Board of Water Works Trustees Meeting
Minutes, January 5, 2021, Planning Committee Meeting
Minutes, January 5, 2021, Customer Relations Committee
Minutes, January 12, 2021, Finance and Audit Committee
- B. Financial Statements
- C. List of Payments for December 2020
- D. Summary of CEO-Approved Expenditures in Excess of \$20,000
- E. Review and Approve Reserve Funds Investments Policy
- F. Review and Approve Depositories for Des Moines Water Works Funds
- G. Next Meeting Date – February 23, 2021

II. Public Comment Period:

III. Action Items:

- A. Receive and File Cost of Service Report
- B. 2021 Tank Painting – Pleasant Hill Tower and Wilchinski Standpipe
 - 1. Public Hearing
 - 2. Adoption of form of Contract, Specifications, and Estimated Cost
 - 3. Analysis of Bids Received
 - 4. Award of Contract and Authorization to Execute Contract
- C. MidAmerican Energy Company Underground Gas Easement Amendment
 - 1. Public Hearing
 - 2. Discussion
 - 3. Action on Easement

- D. Request Authorization to Reimburse the City of Des Moines for River Bend and King Irving Sewer Separation – Phase 2A Project
- E. Request Authorization to Solicit Bids for Nitrate Removal Facility Crawlspace Renovation and Establish the Date of the Public Hearing as the Date of the March 2021 Board Meeting
- F. Approval of Chair’s Selection of Board Members’ Representation on External Boards and Committees of the Board of Trustees
- G. Appointment of Treasurer to the Board of Water Works Trustees

IV. Information Items:

- A. Board Committee Reports
 - Planning Committee
 - Finance and Audit Committee
 - Customer Relations Committee
 - Bill Stowe Memorial Committee
 - Greater Des Moines Botanical Garden Board
 - Des Moines Water Works Park Foundation Board
- B. Staff Updates:
 - External Affairs
- C. CEO and General Manager’s Comments
 - COVID-19 Response
 - 2021 Utility Goals
- D. Contract Status and Professional Services Agreements
- E. December 2020 Lien Certifications and Reversals

**OSHA Recordable
Injuries YTD: 0**

V. Adjournment

Schedule of Board Activities –February and March

February

<u>Date and Time</u>	<u>Location</u>	<u>Meeting</u>
2 3:30 p.m.	Board Room	Planning Committee
2 Immediately Following Planning Meeting	Board Room	Customer Relations Committee
9 3:30 p.m.	Board Room	Finance and Audit Committee
23 3:30 p.m.	Board Room	Board of Water Works Trustees

March

<u>Date and Time</u>	<u>Location</u>	<u>Meeting</u>
2 3:30 p.m.	Board Room	Planning Committee
2 Immediately Following Planning Meeting	Board Room	Customer Relations Committee
9 3:30 p.m.	Board Room	Finance and Audit Committee
23 3:30 p.m.	Board Room	Board of Water Works Trustees

AGENDA ITEM FORM

SUBJECT: Consent Agenda

SUMMARY:

- A. Minutes, December 22, 2020, Board of Water Works Trustees Meeting
Request: Approve November 24, 2020, Minutes
Minutes, January 5, 2021, Planning Committee Meeting
Request: Approve January 5, 2021, Minutes
Minutes, January 5, 2021, Customer Relations Committee Meeting
Request: Approve January 5, 2021, Minutes
Minutes, January 12, 2021, Finance and Audit Committee Meeting
Request: Approve January 12, 2021, Minutes
- B. Financial Statements
- At December 2020, total assets of the Des Moines Water Works were \$417.4 million, liabilities totaled \$67.7 million, deferred outflows totaled \$5.2 million, deferred inflows totaled \$7.0 million and contributions and retained earnings were \$348.0 million.
 - Total operating revenue for the month of December was \$6.9 million. Expenses (operating and non-operating) for the month were approximately \$5.9 million, leaving net earnings of approximately \$0.9 million.
 - Request:** Receive and File for Audit the December 2020 Financial Statements
- C. List of Payments for December 2020
Request: Approve December 2020 payments
- D. Summary of CEO-approved expenditures in excess of \$20,000
Request: Approve the CEO-approved expenditures in excess of \$20,000
- E. Review and Approve Reserve Funds Investments Policy
- F. Review and Approve Depositories for Des Moines Water Works Funds
- G. Next Meeting Date – February 23, 2021
Request: Approve February 23, 2021, as the date of the next meeting of the Board of Water Works Trustees.

FISCAL IMPACT:

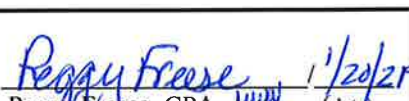
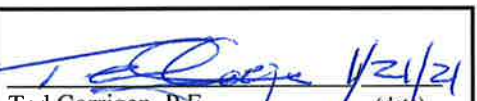
No impact to budget.

RECOMMENDED ACTION:

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

BOARD REQUIRED ACTION:

Motion to approve Consent Agenda.

 Michelle Holland Controller (date)	 Peggy Freese, CPA Chief Financial Officer (date)	 Ted Corrigan, P.E. CEO and General Manager (date)
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Attachments: December 22, 2020, Board of Water Works Trustees Meeting Minutes; January 5, 2021, Planning Committee Meeting Minutes; January 5, 2021, Customer Relations Committee Meeting Minutes; January 12, 2021, Finance and Audit Committee Meeting Minutes; December 2020 Financial Statements; List of Payments; Summary of CEO-approved expenditures in excess of \$20,000

**MINUTES OF CALLED MEETING OF THE BOARD OF WATER WORKS TRUSTEES
PURSUANT TO NOTICE
Tuesday, December 22, 2020**

The Meeting was conducted by video conference.

Present (by Video or Audio Conference Link):

Board Members: Chairperson Ms. Diane Munns, presiding; Mr. Joel Aschbrenner, Ms. Andrea Boulton, Mr. Graham Gillette, Ms. Susan Huppert

Staff members: Jessica Barnett, Bill Blubaugh, Theresa Braden, Pat Bruner, Ted Corrigan, Kyle Danley, Peggy Freese, Doug Garnett, Amy Kahler, Mike McCurnin, Jeanne Middleton, Jenny Puffer, Jennifer Terry, and Michelle Watson

Also in attendance: John Lande (legal counsel), Rick Malm (legal counsel), Melissa Walker (MW Media Consultants, LLC)

Ms. Munns called the meeting to order at 3:30 p.m.

Consent Agenda –

A motion was made by Mr. Gillette, seconded by Ms. Boulton, to approve Consent Items A, B, C, D, E, (Approval of Minutes, November 24, 2020, Board of Water Works Trustees Meeting; Minutes, December 1, 2020, Planning Committee Meeting; Minutes, December 1, 2020, Customer Relations Committee Meeting; Receipt and filing of the financial statements for audit purposes; Approval of Payments for November 2020; Approval of Summary of CEO-Approved Expenditures in Excess of \$20,000; and Approval of January 26, 2021, as the next meeting of the Board of Water Works Trustees). Upon roll-call vote, the motion was adopted with each member of the Board identified as present voting in favor of the motion.

Public Comment Period

Ms. Jeanne Middleton thanked the Board for their well-wishes given at the December Board meeting as she retires from DMWW.

Ms. Sue Huppert, as a customer, praised Rob from Field Customer Service on his professional demeanor and customer service on a recent service call she had at her home.

Acceptance of 2020 Des Moines Water Main Replacement – Contract 1

Staff advised that the 2020 Des Moines Water Main Replacement – Contract 1 project work has been satisfactorily completed.

A motion was made by Mr. Gillette, and seconded by Mr. Aschbrenner, to accept the 2020 Des Moines Water Main Replacement – Contract 1, completed by Rognes Corp., in the amount of \$199,831.10. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

Request Authorization to Solicit Bids for 2021 Tank Painting – Pleasant Hill Tower and Wilchinski Standpipe and Establish the Date of the Public Hearing as the Date of the January 2021 Board Meeting

A project to paint two water storage tanks is planned for 2021. The first is the Wilchinski Standpipe located at 903 E Pleasant View Drive in Des Moines. The second is an elevated water storage tank, Pleasant Hill Tower, located at 5400 E Oakwood Drive in Pleasant Hill.

A motion was made by Ms. Boulton, and seconded by Mr. Gillette, to authorize staff to solicit bids for 2021 Tank Painting – Pleasant Hill Tower and Wilchinski Standpipe and Establish the Date of the Public Hearing as the Date of the January 2021 Board Meeting, and direct staff to publish notice as provided by law. Upon roll-call vote, the motion was adopted with each member of the Board voting in favor of the motion.

Request Permission to Establish the Date of Public Hearing for MidAmerican Energy Company Underground Gas Easement Amendment as the Date of the January 2021 Board Meeting

In May of 1951, the Board of Water Works Trustees granted an easement, along a specific route, to Iowa Power and Light Company for the right and privilege to install a pipeline for the transportation of gas. The easement was modified in 1954. It appears the 1954 modification was done to better define the actual routing of the pipeline facility. The pipeline facility is currently installed in easement on Des Moines Water Works' (DMWW) property from a point south of George Flagg Parkway and west of SW 30th Street to the northwest under the Raccoon River and then nearly 1,400 more feet to the north on DMWW property. Recent observations indicate the pipeline facility has been exposed by erosion along the north bank of the Raccoon River. Such exposure puts the facility at risk. MidAmerican Energy Company (MEC) recently approached DMWW staff about easement modifications to allow the original facility to be replaced. MEC intends to install a new gas line adjacent to existing gas line and then abandon the existing facility that is at risk. An Easement Amendment is being finalized between MEC and DMWW that would define the route of the replacement facilities and update the terms of the easement.

A motion was made by Mr. Aschbrenner, and seconded by Ms. Huppert, to establish the date of Public Hearing for the MidAmerican Energy Company Underground Gas Easement Amendment as the date of the January 2021 Board Meeting, and to direct publication as provided by law. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

Performance Evaluation of CEO and General Manager

The CEO and General Manager's performance evaluation was conducted.

Election of Chairperson and Vice-Chairperson for 2021-2022

A motion was made by Ms. Boulton, seconded by Ms. Huppert, to elect Mr. Gillette as Chairperson for a two-year term beginning January 1, 2021 and Ms. Diane Munns as Vice-Chairperson through June 30, 2021 beginning January 1, 2021 with Ms. Boulton assuming the role of Vice-Chairperson effective July 1, 2021 through December 31, 2022. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

Board Committee Reports

The following reports were provided:

- Planning Committee – A meeting was held on December 1, 2020 as reflected in the minutes thereof. Ms. Boulton offered no additional comments.
- Finance and Audit Committee – A meeting was not held in December.
- Customer Relations Committee – A meeting was held on December 1, 2020 as reflected in the minutes thereof. Ms. Huppert thanked everyone for their attendance and participation in the large regionalization meeting.
- Bill Stowe Memorial – Mr. Gillette offered no additional comments.
- Greater Des Moines Botanical Garden – Mr. Gillette shared that a search firm is seeking candidates for the Garden's CEO position. The Garden's Board hopes to have the position filled by the end of March 2021.
- Des Moines Water Works Park Foundation Board – Ms. Boulton offered no additional comments.

Staff Updates

External Affairs - Ms. Terry advised that the Iowa legislative session convenes on January 11, 2021 and is scheduled to end on April 20, 2021. She shared recent and upcoming efforts to communicate with both state and federal legislators. Ms. Terry and other staff have met with nearly 50 organizations over the last eight weeks regarding water quality. Three finalists have been selected for the Strategic Planning process and RFPs will be sent out to those consultants in January. The Public Affairs contract with MW Media Consultants, LLC, has been renewed and a comprehensive communications plan is being developed, which will address a uniform approach to branding and messaging.

Fleur Drive Median Maintenance – Ms. Barnett gave a recap of a satisfactory first year of contracted work on the Fleur Drive Median Maintenance, which has been performed by the firm "I'll Do It". This firm will continue as the maintenance contractor in 2021.

CEO and General Manager's Comments

- COVID-19 Response – Mr. Corrigan shared that the main office remains closed since November 18th and normal collections practices are still in place. Staff continue to take work vehicles home and work from home to promote social distancing. To date, DMWW has had 15 employees test positive for COVID-19.
- Scheduled Retirements Thirteen employees have indicated their intention to retire by April of 2021.
- 2020 Utility Goals Update – Mr. Corrigan provided an update on the 2020 utility goals: Go-Live with new billing and customer information system; lead water service lines; wholesale rate design; and safety.

Adjournment – Meeting adjourned by unanimous consent.

4:45 p.m. adjourned

**MINUTES OF MEETING OF PLANNING COMMITTEE
OF THE BOARD OF WATER WORKS TRUSTEES
PURSUANT TO NOTICE**

Tuesday, January 5, 2021

3:30 p.m.

The Meeting was conducted by video conference.

Present (by Video or Audio Conference Link):

Board Members: Mr. Joel Aschbrenner, Ms. Andrea Boulton, Mr. Graham Gillette, Ms. Susan Huppert, and Ms. Diane Munns

Staff Members: Theresa Braden, Pat Bruner, Nathan Casey, Ted Corrigan, Kyle Danley, Peggy Freese, Doug Garnett, Amy Kahler, Mike McCurnin, Jenny Puffer, Jennifer Terry, and Michelle Watson

Also in Attendance: Melissa Walker (MW Media Consultants, LLC)

Meeting called to order at 3:30 p.m.

1. Saylorville Water Treatment Plant RO Integration

Mr. Casey provided an overview of the Saylorville Water Treatment Plant (SWTP) system and an update on the installation of the fourth reverse osmosis (RO) unit. When the plant was built, three RO trains were installed, but the plant could not meet finished water hardness goals with only the three trains. The installation of the fourth RO train allows for some redundancy and improves capacity at the SWTP. Installation was completed and the fourth RO train was put online in March of 2020.

Mr. Gillette joined the meeting in progress at 3:53 p.m.

2. CEO and General Manager's Comments

There were no additional comments from Mr. Corrigan.

3. Public Comments - There were no comments from the public.

Meeting adjourned at 3:54 p.m.

**MINUTES OF MEETING OF CUSTOMER RELATIONS COMMITTEE
OF THE BOARD OF WATER WORKS TRUSTEES
PURSUANT TO NOTICE**

Tuesday, January 5, 2021

Immediately following the 3:30 p.m. Planning Committee Meeting

The Meeting was conducted by video conference.

Present (by Video or Audio Conference Link):

Board Members: Mr. Joel Aschbrenner, Ms. Andrea Boulton, Mr. Graham Gillette, Ms. Susan Huppert, and Ms. Diane Munns

Staff Members: Theresa Braden, Pat Bruner, Nathan Casey, Ted Corrigan, Kyle Danley, Peggy Freese, Doug Garnett, Amy Kahler, Mike McCurnin, Jenny Puffer, Jennifer Terry, and Michelle Watson

Also in Attendance: Melissa Walker (MW Media Consultants, LLC)

Meeting called to order at 3:54 p.m.

1. Schedule and Communications Plan for 1st Quarter Regional Discussion

Mr. Corrigan led a discussion about the schedule of the first quarter's meetings and agenda topics with the regionalization micro group. The goals are to answer questions on depreciation, growth, etc. and to update the term sheet at the end of the first quarter. He suggested two communication pieces. A bulleted list of discussion topics could be provided to the large group of potential regional partners and a more detailed summary would be provided to board members. Increased communication is intended to keep all involved parties informed of the micro group's progress on a weekly basis.

2. CEO and General Manager's Comments

Mr. Corrigan advised that staff interviewed six different consultants to assist with the development of DMWW's strategic plan. Based on the interviews, the pool was narrowed to three and a request for proposals was sent to those three consultants. Next week he will be attending meetings with Ms. Terry and legislators to discuss PFAS concerns and DMWW's FEMA claim which was filed as a result of the pandemic. Jason Mumm (FCS Group) has been requested to perform additional work updating the regionalization model once the term sheet is updated. That additional work will cost approximately \$25,000.

3. Public Comments – There were no comments from the public.

Meeting adjourned 5:03 p.m.

**MINUTES OF MEETING OF FINANCE AND AUDIT COMMITTEE
OF THE BOARD OF WATER WORKS TRUSTEES
PURSUANT TO NOTICE**

January 12, 2021

3:30 p.m.

The Meeting was conducted by video conference.

Present (by Video or Audio Conference Link):

Board Members: Mr. Joel Aschbrenner, Mr. Graham Gillette, Ms. Susan Huppert, and Ms. Diane Munns

Staff Members: Theresa Braden, Pat Bruner, Nathan Casey, Ted Corrigan, Kyle Danley, Peggy Freese, Doug Garnett, Amy Kahler, Mike McCurnin, Jennifer Puffer, Jennifer Terry, and Michelle Watson

Also in attendance: Melissa Walker (MW Media Consultants, LLC)

Meeting called to order at 3:30 p.m.

1. Phase 1 Park Improvements Project Closeout

Mr. McCurnin provided an update on the financial aspects of closeout of the Phase 1 Park Improvements project. Staff has worked with the Des Moines Water Works Park Foundation (DMWWPF) to make the final financial reconciliations for the capital improvement elements and make recommendations regarding on-going operational expenses given the adverse influence of the pandemic following acceptance of the project in August 2020. Three items, in particular, were shared by Mr. McCurnin; reconciliation of administrative costs and pump station costs, recommendation for “at cost” approach on operating expenses, and depreciation fund contributions.

Mr. Gillette suggested staff work with legal to prepare a forbearance agreement regarding depreciation fund contributions to bring to the full Board meeting for Board action.

2. Regionalization: Growth Pays for Growth

Ms. Kahler explained the contending concepts of “growth pays for growth” versus “benefit pays for benefit” that are under consideration in regionalization discussions. FCS’s model and language in the term sheet suggests that capital costs related to growth should be paid for by those communities growing and requiring the additional capacity. Matt Stoffel (PFM Financial Advisors) has prepared an analysis illustrating the financial impacts if all communities – growth and no-growth – share in the capital costs of expansion. It is argued that non-growth community benefits such as advanced technology and redundancy of systems might be given consideration.

3. CEO and General Manager’s Comments

Mr. Corrigan reported that the 10-year average for main breaks is 240 per year and there were 242 in 2020. As of January 12th, there have been 21 main breaks in 2021. The total annual pumpage for DMWW was a record-breaking 18.5 billion gallons in 2020. He also stated that Ms. Kahler has determined that the number of customer complaints and concerns due to the implementation of the new customer information system has been decreasing.

4. Public Comments – There were no comments from the public.

Meeting adjourned at 4:30 p.m.

**DES MOINES WATER WORKS
FINANCIAL STATEMENT COMMENTS
FOR THE MONTH ENDED December 31, 2020**

STATEMENT OF NET POSITION

Below are summaries of financial position and activity for the month of December 2020 based on **preliminary** year-end numbers. Additional year-end adjustments and reclassification will be made to the financial records prior to the issuance of our final 2020 audited financial statements.

Summary Net Position (in millions)

	Dec 31, 2020	Dec 31, 2019
Cash	\$18.6	\$12.3
Invested Cash	5.0	0.0
Accounts Receivable	9.9	9.8
Operating Reserves	12.3	12.1
Revenue Bond Reserves	4.9	4.8
Other Assets	5.2	4.9
Fixed Assets	547.7	547.7
Less: Accumulated Depreciation	<u>(210.8)</u>	<u>(200.6)</u>
Net Fixed Assets	336.9	347.0
Construction in Progress	<u>24.7</u>	<u>14.7</u>
Total Assets	<u>417.4</u>	<u>405.7</u>
Deferred Outflows of Resources	5.2	5.2
Total Assets & Deferred Outflows of Resources	<u>422.7</u>	<u>410.9</u>
Current Liabilities	15.6	18.4
Long-Term Liabilities	49.7	53.6
Other Liabilities	<u>2.4</u>	<u>2.5</u>
Total Liabilities	67.7	74.5
Deferred Inflows of Resources	7.0	7.0
Net Position	<u>348.0</u>	<u>329.5</u>
Total Liabilities, Deferred Inflows of Resources & Net Position	<u>422.7</u>	<u>410.9</u>

STATEMENT OF EARNINGS

Summary information from the Statement of Earnings is as follows:

	December	Year to date
Operating Revenue	\$ 6.9 million	\$ 76.8 million
Operating Expenses	\$ 5.9 million	\$ 57.9 million
Other Income (Expense)	\$ (0.0) million	\$ (0.4) million
Net Earnings	\$ 0.9 million	\$ 18.5 million

The table below summarizes expenses for the period-to-date ended December 2020 and 2019:

OPERATING EXPENSES

Year-to-Date Ending December 31, 2020 and 2019

	YTD Dec 2020	% of Total	YTD Dec 2019	% of Total
Labor	\$ 16,403,742	34%	\$ 15,234,679	32%
Benefits	8,771,704	18%	10,768,358	23%
Purchased Services	8,376,385	18%	8,089,213	17%
Materials and Equipment	3,941,037	8%	3,367,482	7%
Chemicals	4,988,278	10%	4,615,123	10%
Utilities/Telephone	3,297,418	7%	2,882,010	6%
Insurance	1,026,791	2%	1,182,730	3%
Postage	464,609	1%	492,356	1%
Other	445,812	1%	540,862	1%
	\$ 47,715,776	100%	\$ 47,172,813	100%

CHANGES IN INVESTMENTS

	Change from Prior Month	Average Annual Return
Bond Reserves	(\$3,618,317)	0.13%
Operating Reserves	\$61,794	3.30%
Invested Operating Cash	\$4,964,541	2.37%

Comments

Pension fund investments increased by \$1.7 million for the month of December 2020. The pension fund balance as of December 31, 2020, was \$61.1 million.

PROJECT EXPENSES

Total expenditures for operating projects through December 2020 were approximately \$47.7 million or 98% of the operating budget. Overall expenditures on capital projects were approximately \$10.0 million or 34% of the capital budget.

DES MOINES WATER WORKS
PRELIMINARY Statement of Net Position
For the Period Ending December 31, 2020 and December 31, 2019

	2020	2019	Change
ASSETS			
Cash			
Petty Cash	\$ 2,900	\$ 1,900	
Interest Bearing Cash	18,574,044	12,334,167	
Total	\$ 18,576,944	\$ 12,336,067	\$ 6,240,878
Invested Cash			
Operating			
Cash on Hand	\$ 17,148	\$ -	
U.S. Government Securities	4,947,393	-	
Total	\$ 4,964,541	\$ -	\$ 4,964,541
Accounts Receivable			
Accounts Receivable	\$ 7,632,913	\$ 7,522,265	
Accounts Receivable Unbilled	2,230,471	2,230,471	
Accrued Interest Receivable	44,966	53,538	
Total	\$ 9,908,350	\$ 9,806,275	\$ 102,076
Reserves (Invested)			
Operating			
Cash On Hand	\$ 2,219,105	\$ 60,645	
U.S. Government Securities	10,049,749	12,020,014	
Total	\$ 12,268,854	\$ 12,080,659	\$ 188,195
Revenue Bond Reserves (Invested)			
Cash on Hand	\$ 454,372	\$ 386,213	
U.S. Government Securities	4,441,998	4,407,886	
Total	\$ 4,896,370	\$ 4,794,099	\$ 102,272
Other Assets			
Materials in Stock Accounts	\$ 3,528,943	\$ 3,310,409	
Water Receivable Long-Term	327,217	330,378	
Prepaid Insurance	1,097,605	897,020	
Prepaid Expense	236,658	370,508	
Accum Unrealized Gain/(Loss) Invest	(2,213)	(205)	
Total	\$ 5,188,212	\$ 4,908,109	\$ 280,102

DES MOINES WATER WORKS
PRELIMINARY Statement of Net Position
For the Period Ending December 31, 2020 and December 31, 2019

	2020	2019	Change
ASSETS-CONTINUED			
Fixed Assets			
Land & Right of Way	\$ 8,208,369	\$ 8,208,369	
Structures and Machinery	159,753,596	159,753,596	
Water Supply System	58,571,610	58,571,610	
Urbandale Booster System	509,687	509,687	
Pipelines	253,042,528	253,042,528	
Meters	30,633,556	30,633,556	
Laboratory Equipment	786,078	786,078	
Distribution Equipment	1,196,759	1,196,759	
Mobile Equipment	3,651,873	3,651,873	
Vehicles	2,832,245	2,832,245	
Office Equipment	1,329,203	1,329,203	
MIS Equipment	27,142,028	27,142,028	
Total	\$ 547,657,530	\$ 547,657,530	
Accumulated Depreciation	(210,784,527)	(200,625,767)	
Construction in Progress	\$ 24,738,368	14,716,100	
Total Fixed Assets	\$ 361,611,370	\$ 361,747,863	\$ (136,493)
TOTAL ASSETS	\$ 417,414,642	\$ 405,673,072	\$ 11,741,571
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Bond Refunding	\$ 734,238	\$ 734,238	
Pension Related Amounts	4,505,237	4,505,237	
Total	\$ 5,239,475	\$ 5,239,475	\$ -
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 422,654,118	\$ 410,912,547	\$ 11,741,571

DES MOINES WATER WORKS
PRELIMINARY Statement of Net Position
For the Period Ending December 31, 2020 and December 31, 2019

	2020	2019	Change
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,823,222	\$ 2,179,560	
Construction Payables	3,553,454	5,681,948	
Salaries and Wages Payable	1,252,019	687,067	
Accrued Leave	3,481,154	3,481,154	
State Tax Payable	178,016	136,084	
Work Comp Reserves	322,087	322,087	
Revenue Bond Interest Payable	41,196	49,960	
Revenue Bonds Payable Current	3,832,000	3,713,000	
Deferred Revenue - Current	8,755	718,825	
Billing Service Deposits	1,080,153	1,436,999	
Unclaimed Refunds	9,089	8,516	
Total	\$ 15,581,147	\$ 18,415,201	\$ (2,834,054)
Long Term Liabilities			
Revenue Bond Payable	\$ 13,840,640	\$ 17,672,640	
Deferred Revenue	3,216,181	3,216,181	
Pension Liability	17,017,214	17,017,214	
Other Post-Employment Benefit Liability	15,508,879	15,508,879	
Other Non-Current Liabilities	80,925	147,721	
Total	\$ 49,663,839	\$ 53,562,636	\$ (3,898,796)
Other Liabilities			
Deposits by Consumers	\$ 1,893,792	\$ 1,794,454	
Project H2O	2,020	1,454	
Miscellaneous Liabilities	552,212	677,757	
Total	\$ 2,448,025	\$ 2,473,666	\$ (25,641)
TOTAL LIABILITIES	\$ 67,693,011	\$ 74,451,502	\$ (6,758,491)
DEFERRED INFLOWS OF RESOURCES			
Pension Related Amounts	\$ 4,819,541	\$ 4,819,541	
Other Post-Employment Benefit Amounts	2,179,719	2,179,719	
Total	\$ 6,999,260	\$ 6,999,260	\$ -
NET POSITION	\$ 347,961,847	\$ 329,461,785	\$ 18,500,062
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	\$ 422,654,118	\$ 410,912,547	\$ 11,741,571

Des Moines Water Works
PRELIMINARY Statement of Earnings and Retained Earnings
For the Month Ended December 31, 2020, the Twelve Months Ending December 31, 2020
and the Twelve Months Ending December 31, 2019

	Current Month 2020	Year-To-Date 2020	Yearly Budget 2020	Actual vs. Budget Variance	Year-To-Date 2019	Year-To-Date Current vs. Prior Year
OPERATING REVENUE						
Water Sales	\$ 6,119,511	\$ 67,800,360	\$ 64,175,950	\$ 3,624,410	\$ 60,079,994	\$ 7,720,366
Sewer Services - Runnells	8,475	96,568	80,215	16,353	85,867	10,701
Late Fees	27,794	333,493	325,000	8,493	365,630	(32,137)
Billed Debt Service	199,551	2,393,786	2,405,954	(12,168)	2,378,901	14,885
Other Sales and Services	293,030	2,674,777	2,694,043	(19,266)	3,485,796	(811,019)
Billing Services Revenue	135,919	1,719,916	1,864,661	(144,745)	1,837,002	(117,086)
Land Use Revenue	23,285	178,586	205,000	(26,414)	225,501	(46,915)
Connection Fees	3,995	879,667	850,000	29,667	1,239,437	(359,770)
Purchase Capacity	59,902	718,825	-	718,825	713,825	5,000
Cash Discount and Refunds	269	2,809	-	2,809	1,907	902
Total Operating Revenues	\$ 6,871,731	\$ 76,798,787	\$ 72,600,823	\$ 4,197,964	\$ 70,538,148	\$ 6,260,639
OPERATING EXPENSES						
Labor	\$ 1,917,156	\$ 16,403,742	\$ 16,249,384	\$ (154,358)	\$ 15,234,679	\$ (1,169,062)
Benefits	287,652	3,697,998	3,498,199	(199,799)	3,320,466	(377,532)
Retirement Benefits	397,677	5,073,706	5,010,843	(62,863)	7,447,892	2,374,186
Postage	55,024	464,609	480,000	15,391	492,356	27,747
Telephone	27,729	301,137	275,710	(25,427)	294,919	(6,218)
Insurance	98,061	1,026,791	1,271,500	244,709	1,182,730	155,939
Casualty Loss	13,372	62,756	100,000	37,244	35,296	(27,460)
Loss on Bad Accounts	2,303	154,694	100,000	(54,694)	147,700	(6,994)
Purchased Services	1,070,803	8,376,385	9,115,836	739,451	8,089,213	(287,172)
Training	7,643	26,718	170,870	144,152	106,029	79,311
Materials and Equipment	376,930	3,941,037	3,827,146	(113,891)	3,367,482	(573,555)
Chemicals	455,833	4,988,278	5,188,414	200,136	4,615,123	(373,155)
Utilities	351,160	2,996,281	3,021,388	25,107	2,587,091	(409,190)
Gasoline/Fuel	4,000	201,644	236,261	34,617	251,837	50,193
Total Operating Expense	\$ 5,065,343	\$ 47,715,776	\$ 48,545,551	\$ 829,775	\$ 47,172,813	\$ (542,962)
Depreciation Expense	\$ 836,229	10,158,760	10,597,411	438,651	10,086,782	(71,978)
Net Income from Operations	970,159	18,924,251	13,457,861	5,466,390	13,278,553	5,645,698
Other Income (Expense) :						
Capital Contributions	\$ -	\$ -	\$ -	\$ -	\$ 4,841,312	\$ (4,841,312)
Contributions From Subdividers	-	-	-	-	5,352,337	(5,352,337)
Investment Income	18,068	231,384	147,500	83,884	212,478	18,906
Net Change - Investment Values	(21,443)	(64,821)	-	(64,821)	206,593	(271,414)
Interest Expense / Amortization	(41,196)	(590,752)	(598,373)	7,621	(695,918)	105,166
Gain/Loss on Fixed Assets	-	-	-	-	18,692	(18,692)
Other Income/Expense	-	-	-	-	610,000	(610,000)
Other Income (Expense), net	\$ (44,571)	\$ (424,189)	\$ (450,873)	\$ 26,684	\$ 10,545,494	\$ (10,969,683)
Net Earnings	\$ 925,588	\$ 18,500,062	\$ 13,006,988	\$ 5,493,074	\$ 23,824,047	\$ (5,323,985)
Retained Earnings, January 1		\$ 329,461,785			\$ 302,896,862	
Ending Retained Earnings		\$ 347,961,847			\$ 326,720,909	

**DES MOINES WATER WORKS
STATEMENT OF INVESTMENT CHANGES
FOR THE MONTH ENDED DECEMBER 31, 2021**

BOND RESERVES

	Balance at 11/30/2020	Additions	Deductions	Balance at 12/31/2021
Cash on Hand	\$4,068,391	449,309	4,063,329	\$454,372
U.S. Government Securities	\$4,446,295	-	4,297	4,441,998
Total Bond Reserves	\$8,514,687	\$449,309	\$4,067,626	\$4,896,370

The average annual interest earned was 0.13%.

INVESTED RESERVES

	Balance at 11/30/2020	Additions	Deductions	Balance at 12/31/2021
Operating				
Cash on Hand	\$151,593	2,067,512	-	\$2,219,105
U.S. Government Securities	\$12,055,467	0	2,005,718	10,049,749
Total Invested Reserves	\$12,207,060	\$2,067,512	\$2,005,718	\$12,268,854

The average annual interest earned was 3.30%.

INVESTED OPERATING CASH

	Balance at 11/30/2020	Additions	Deductions	Balance at 12/31/2021
Operating				
Cash on Hand	-	5,000,000	4,982,852	\$17,148
U.S. Government Securities	-	4,948,320	927	4,947,393
Total Invested Reserves	\$0	\$9,948,320	\$4,983,779	\$4,964,541

The average annual interest earned was 2.37%.

PENSION FUND

	Balance 1/1/2020	Transfers, Expenses & Deposits	Benefit Payments	Investment Return	Balance at 12/31/2020	YTD % Return
Fixed Income						
Mellon Capital Mgmt - Bond Market Index	9,794,828	(202,002)	(3,256,318)	633,225	6,969,733	7.24%
Neuberger Berman / Mellon / DDJ - High Yield I	1,394,349	956,903		83,166	2,434,418	5.76%
Principal Global Investors - Income	15,445,486	4,208,885	1,420	1,271,030	20,926,821	8.20%
Large U.S. Equity						
Principal Global Investors - Equity Income	6,322,203	(98,808)		482,721	6,706,117	7.50%
Principal Global Investors - Large Cap S&P 500 Index	2,723,777	685,837		639,537	4,049,150	21.65%
T. Rowe Price / Brown Advisory - Large Cap Growth	6,463,754	(1,861,590)		2,094,601	6,696,765	34.27%
Small/Mid U.S. Equity						
Robert Baird / Eagle Asset Mgmt - Mid Cap Growth III	920,564	(233,336)		304,385	991,613	34.13%
DFA / Vaughan Nelson / LA Capital - Small Cap Value II	457,547	(18,847)		49,429	488,129	10.30%
AB / Brown / Emerald - Small Cap Growth I	471,365	(153,921)		177,077	494,522	38.98%
LA Capital Mgmt / Victory - Mid Cap Value I	919,864	(21,395)		81,448	979,917	8.62%
International Equity						
Principal Global Investors - International Emerging Markets	1,740,287	(1,687,648)		(52,639)	(0)	-3.02%
Causeway / Barrow Hanley - Overseas	3,307,857	(700,591)		59,064	2,666,330	1.83%
Principal Global Investors / DFA - International Small Cap	1,719,603	(34,794)		107,965	1,792,775	6.21%
Principal Global Investors - Diversified International	3,262,146	172,017		634,995	4,069,158	18.73%
Origin Asset Management LLP - Origin Emerging Markets	-	1,474,507		318,173	1,792,680	19.28%
Balanced / Asset Allocation						
Multiple Sub-Advisors - Diversified Real Asset	1,137,004	(1,057,064)		(79,940)	(0)	-6.99%
Total Principal Financial	\$ 56,080,636	\$ 1,428,152	\$ (3,254,898)	\$ 6,804,238	\$ 61,058,128	12.40%

DES MOINES WATER WORKS
Project Costs by Department - Summary
Project Costs by Department - Summary **PRELIMINARY**
100% of Year Completed

	YTD Actual	Yearly Budget 2020	Budget Adjustment / Carry Over	Net Yearly 2020 Budget	Variance	% of Budget
Operating						
Office of the CEO/General Manager	\$955,891	\$1,314,869	\$0	\$1,314,869	\$358,978	73%
Customer Service	\$4,063,601	\$4,569,179	\$0	\$4,569,179	\$505,578	89%
Engineering	\$1,775,414	\$1,670,449	\$0	\$1,670,449	(\$104,965)	106%
Finance	\$4,378,925	\$4,116,807	\$0	\$4,116,807	(\$262,118)	106%
Human Resources	\$613,371	\$740,478	\$0	\$740,478	\$127,107	83%
Information Technology	\$2,602,107	\$2,901,195	\$0	\$2,901,195	\$299,088	90%
Office of the Chief Operating Officer	\$4,125,181	\$3,125,954	\$0	\$3,125,954	(\$999,227)	132%
Water Distribution	\$8,562,492	\$8,811,160	\$0	\$8,811,160	\$248,668	97%
Water Production	\$20,638,793	\$21,295,460	\$0	\$21,295,460	\$656,667	97%
Total Operating	\$47,715,776	\$48,545,551	\$0	\$48,545,551	\$829,777	98%
Capital						
Office of the CEO/General Manager	\$0	\$0	\$0	\$0	\$0	No Budget
Customer Service	\$1,057,443	\$1,288,321	\$0	\$1,288,321	\$230,878	82%
Engineering	\$6,132,023	\$23,261,578	\$1,390,400	\$24,651,978	\$18,519,955	25%
Finance	\$0	\$0	\$0	\$0	\$0	No Budget
Human Resources	\$0	\$0	\$0	\$0	\$0	No Budget
Information Technology	\$1,149,910	\$325,664	\$673,000	\$998,664	(\$151,246)	115%
Office of the Chief Operating Officer	\$0	\$0	\$0	\$0	\$0	No Budget
Water Distribution	\$541,956	\$987,820	\$0	\$987,820	\$445,864	55%
Water Production	\$1,166,886	\$1,662,529	\$0	\$1,662,529	\$495,644	70%
Total Capital	\$10,048,216	\$27,525,912	\$2,063,400	\$29,589,312	\$19,541,095	34%
Total Project Costs	\$57,763,992	\$76,071,463	\$2,063,400	\$78,134,863	\$20,370,871	74%

DES MOINES WATER WORKS
Project Costs by Department - Summary
Project Costs by Department - Summary PRELIMINARY
100% of Year Completed

Office of the CEO/General Manager

		YTD Actual	Yearly Budget 2020	Budget Adjustment / Carry Over	Net Yearly 2020 Budget	Variance	% of Budget
Operating							
950-200	New Business, Community & Economic Dev	\$61,153	\$80,865	\$0	\$80,865	\$19,712	76%
996-001	CEO Department Administration	\$453,944	\$296,653	\$0	\$296,653	(\$157,291)	153%
996-030	Board Activities	\$220,318	\$602,653	\$0	\$602,653	\$382,335	37%
996-200	Business Strategies	\$61,302	\$97,891	\$0	\$97,891	\$36,589	63%
996-210	Project Management	\$105,125	\$97,462	\$0	\$97,462	(\$7,663)	108%
995-010	Public Policy - WS Advocate	\$54,048	\$139,345	\$0	\$139,345	\$85,297	39%
Total Operating		\$955,891	\$1,314,869	\$0	\$1,314,869	\$358,978	73%
OCEO Capital							
Total Capital		\$0	\$0	\$0	\$0	\$0	\$0
Total Office of CEO/General Manager		\$955,891	\$1,314,869	\$0	\$1,314,869	\$358,978	73%

DES MOINES WATER WORKS
Project Costs by Department - Summary
Project Costs by Department - Summary PRELIMINARY
100% of Year Completed

Customer Service

		YTD Actual	Yearly Budget 2020	Budget Adjustment / Carry Over	Net Yearly 2020 Budget	Variance	% of Budget
Operating							
950-001	Cust Svc Dept Administration	\$1,881,435	\$1,959,084	\$0	\$1,959,084	\$77,649	96%
950-100	Contact Center Operations	\$990,610	\$1,082,443	\$0	\$1,082,443	\$91,833	92%
950-300	Communications/PR	\$125,209	\$199,019	\$0	\$199,019	\$73,810	63%
950-600	Field Customer Service	\$1,066,347	\$1,328,633	\$0	\$1,328,633	\$262,286	80%
	Total Operating	\$4,063,601	\$4,569,179	\$0	\$4,569,179	\$505,578	89%
Capital							
955-060	Field Cust Svc Capital	\$1,041,044	\$1,288,321	\$0	\$1,288,321	\$247,277	81%
925-160	Radio Frequency Project	\$16,399	\$0	\$0	\$0	(\$16,399)	No Budget
	Total Capital	\$1,057,443	\$1,288,321	\$0	\$1,288,321	\$230,878	82%
Total Customer Service		\$5,121,044	\$5,857,500	\$0	\$5,857,500	\$736,456	87%

DES MOINES WATER WORKS
Project Costs by Department - Summary
Project Costs by Department - Summary PRELIMINARY
100% of Year Completed

Engineering

		YTD Actual	Yearly Budget 2020	Budget Adjustment / Carry Over	Net Yearly 2020 Budget	Variance	% of Budget
Operating							
940-001	Engineering Dept Administration	\$1,664,907	\$1,544,529	\$0	\$1,544,529	(\$120,378)	108%
940-010	Engineering Studies	\$110,506	\$125,920	\$0	\$125,920	\$15,414	88%
	Total Operating	\$1,775,414	\$1,670,449	\$0	\$1,670,449	(\$104,965)	106%
Capital							
945-010	Facility Management	\$127,576	\$2,835,207	\$40,800	\$2,876,007	\$2,748,431	4%
945-011	West Des Moines ASR	\$263	\$0	\$0	\$0	(\$263)	No Budget
945-080	WMR - Des Moines	\$1,357,965	\$5,660,667	\$250,000	\$5,910,667	\$4,552,702	23%
945-090	WMR - Polk County	\$75,660	\$3,368,047	\$0	\$3,368,047	\$3,292,387	2%
945-095	WMR - Windsor Heights	\$130,824	\$779,316	\$0	\$779,316	\$648,492	17%
945-100	WMR - Pleasant Hill	\$11,839	\$360,932	\$0	\$360,932	\$349,093	3%
945-180	Raw Water McMullen	\$280,699	\$1,399,114	\$0	\$1,399,114	\$1,118,415	20%
945-200	Development Plan Review & Inspection	\$271,222	\$190,588	\$0	\$190,588	(\$80,634)	142%
945-210	Core Network Feeder Mains	\$13,742	\$0	\$0	\$0	(\$13,742)	No Budget
945-220	Fleur Drive Treatment Plant	\$402,032	\$3,712,840	(\$26,833)	\$3,686,007	\$3,283,975	11%
945-225	McMullen Treatment Plant	\$773	\$0	\$0	\$0	(\$773)	No Budget
945-228	Saylorville Water Treatment Plant	\$1,271,279	\$929,068	\$562,433	\$1,491,501	\$220,222	85%
945-230	Remote Facilities - Pumping & Storage	\$533,039	\$0	\$564,000	\$564,000	\$30,961	95%
945-235	Joint NW Storage, PS and Feeder Mains	\$168,880	\$1,923,638	\$0	\$1,923,638	\$1,754,758	9%
945-240	DMWW Park Foundation	\$266,442	\$0	\$0	\$0	(\$266,442)	No Budget
945-245	Joint SW Storage, PS and Feeder Mains	\$1,187,738	\$2,102,161	\$0	\$2,102,161	\$914,423	57%
945-250	Waukee-Xenia Feeder Main & Pump Station	\$32,050	\$0	\$0	\$0	(\$32,050)	No Budget
	Total Capital	\$6,132,023	\$23,261,578	\$1,390,400	\$24,651,978	\$18,519,955	25%
Total Engineering		\$7,907,437	\$24,932,027	\$1,390,400	\$26,322,427	\$18,414,990	30%

DES MOINES WATER WORKS
Project Costs by Department - Summary
Project Costs by Department - Summary PRELIMINARY
100% of Year Completed

Finance

		YTD Actual	Yearly Budget 2020	Budget Adjustment / Carry Over	Net Yearly 2020 Budget	Variance	% of Budget
Operating							
930-001	Finance Dept Administration	\$921,439	\$903,831	\$0	\$903,831	(\$17,608)	102%
930-010	Financial Services	\$1,725,045	\$1,901,942	\$0	\$1,901,942	\$176,897	91%
930-090	Purchasing	\$98,199	\$80,314	\$0	\$80,314	(\$17,885)	122%
950-410	A/R Management	\$1,312,924	\$910,046	\$0	\$910,046	(\$402,878)	144%
970-010	Central Stores	\$122,267	\$120,674	\$0	\$120,674	(\$1,593)	101%
970-500	GDMBG Operations and Maintenance	\$199,051	\$200,000	\$0	\$200,000	\$949	100%
	Total Operating	\$4,378,925	\$4,116,807	\$0	\$4,116,807	(\$262,118)	106%
Capital							
955-090	Pmt/Mail Processing Capital	\$0	\$0	\$0	\$0	\$0	No Budget
	Total Capital	\$0	\$0	\$0	\$0	\$0	No Budget
Total Finance		\$4,378,925	\$4,116,807	\$0	\$4,116,807	(\$262,118)	106%

DES MOINES WATER WORKS
Project Costs by Department - Summary
Project Costs by Department - Summary PRELIMINARY
100% of Year Completed

Human Resources

		YTD Actual	Yearly Budget 2020	Budget Adjustment / Carry Over	Net Yearly 2020 Budget	Variance	% of Budget
Operating							
910-001	HR Dept Administration	\$230,626	\$256,953	\$0	\$256,953	\$26,327	90%
910-010	Employee Relations	\$184,232	\$200,073	\$0	\$200,073	\$15,841	92%
910-060	Employment	\$39,361	\$58,642	\$0	\$58,642	\$19,281	67%
910-110	Compensation/Benefits	\$139,507	\$146,705	\$0	\$146,705	\$7,198	95%
910-150	Employee Learning & Growth	\$19,644	\$78,105	\$0	\$78,105	\$58,461	25%
	Total Operating	\$613,371	\$740,478	\$0	\$740,478	\$127,107	83%
Capital							
	Total Capital	\$0	\$0	\$0	\$0	\$0	No Budget
Total Human Resources		\$613,371	\$740,478	\$0	\$740,478	\$127,107	83%

DES MOINES WATER WORKS
Project Costs by Department - Summary
Project Costs by Department - Summary PRELIMINARY
100% of Year Completed

Information Technology

		YTD Actual	Yearly Budget 2020	Budget Adjustment / Carry Over	Net Yearly 2020 Budget	Variance	% of Budget
Operating							
920-001	IT Dept Administration	\$658,176	\$686,056	\$0	\$686,056	\$27,880	96%
920-160	Technical Services	\$245,188	\$267,559	\$0	\$267,559	\$22,371	92%
920-240	IT Development & Application Svcs	\$16,204	\$66,389	\$0	\$66,389	\$50,185	24%
920-250	IT Services	\$939,547	\$1,149,218	\$0	\$1,149,218	\$209,671	82%
920-350	System Services	\$742,992	\$731,973	\$0	\$731,973	(\$11,019)	102%
	Total Operating	\$2,602,107	\$2,901,195	\$0	\$2,901,195	\$299,088	90%
Capital							
925-010	Info Systems Capital	\$1,149,910	\$325,664	\$673,000	\$998,664	(\$151,246)	115%
	Total Capital	\$1,149,910	\$325,664	\$673,000	\$998,664	(\$151,246)	115%
Total Information Technology		\$3,752,016	\$3,226,859	\$673,000	\$3,899,859	\$147,843	96%

DES MOINES WATER WORKS
Project Costs by Department - Summary
Project Costs by Department - Summary PRELIMINARY
100% of Year Completed

Office of the Chief Operating Officer

		YTD Actual	Yearly Budget 2020	Budget Adjustment / Carry Over	Net Yearly 2020 Budget	Variance	% of Budget
Operating							
993-000	OCOO Dept Administration	\$12,073	\$70,841	\$0	\$70,841	\$58,768	17%
960-510	Risk & Incident Management	\$2,001,802	\$869,491	\$0	\$869,491	(\$1,132,311)	230%
910-240	Safety	\$188,171	\$244,824	\$0	\$244,824	\$56,653	77%
970-060	Grounds Maintenance	\$691,663	\$705,798	\$0	\$705,798	\$14,135	98%
	Department Operating	\$2,893,709	\$1,890,954	\$0	\$1,890,954	(\$1,002,755)	153%
960-511	Flood Response & Repairs	\$355	\$0	\$0	\$0	(\$355)	No Budget
970-060	Grounds Maintenance - PILOT	\$1,231,117	\$1,235,000	\$0	\$1,235,000	\$3,883	100%
	Total Operating	\$4,125,181	\$3,125,954	\$0	\$3,125,954	(\$999,227)	132%
Capital							
	Total Capital	\$0	\$0	\$0	\$0	\$0	No Budget
Total Office of the COO		\$4,125,181	\$3,125,954	\$0	\$3,125,954	(\$999,227)	132%

DES MOINES WATER WORKS
Project Costs by Department - Summary
Project Costs by Department - Summary PRELIMINARY
100% of Year Completed

Water Distribution

		YTD Actual	Yearly Budget 2020	Budget Adjustment / Carry Over	Net Yearly 2020 Budget	Variance	% of Budget
Operating							
960-001	Water Dist Dept Administration	\$3,529,473	\$3,694,971	\$0	\$3,694,971	\$165,498	96%
960-010	Distribution Administration	\$135,132	\$145,454	\$0	\$145,454	\$10,322	93%
960-100	Dist System Maint/Repairs	\$2,973,108	\$2,930,645	\$0	\$2,930,645	(\$42,463)	101%
960-160	Water Distribution Support	\$487,997	\$487,846	\$0	\$487,846	(\$151)	100%
960-180	Leak Detection	\$684,030	\$642,288	\$0	\$642,288	(\$41,742)	106%
960-250	Distribution Billed Services	\$568,620	\$694,899	\$0	\$694,899	\$126,279	82%
960-500	Distribution Water Quality	\$184,133	\$215,057	\$0	\$215,057	\$30,924	86%
	Total Operating	\$8,562,492	\$8,811,160	\$0	\$8,811,160	\$248,668	97%
Capital							
965-010	Distribution System Improvements	\$493,083	\$937,960	\$0	\$937,960	\$444,877	53%
965-025	Dist Billed Services Capital	\$40,549	\$42,460	\$0	\$42,460	\$1,911	95%
965-200	Leak Detection Equipment	\$8,324	\$7,400	\$0	\$7,400	(\$924)	112%
	Total Capital	\$541,956	\$987,820	\$0	\$987,820	\$445,864	55%
Total Water Distribution		\$9,104,448	\$9,798,980	\$0	\$9,798,980	\$694,532	93%

DES MOINES WATER WORKS
Project Costs by Department - Summary
Project Costs by Department - Summary PRELIMINARY
100% of Year Completed

Water Production

		YTD Actual	Yearly Budget 2020	Budget Adjustment / Carry Over	Net Yearly 2020 Budget	Variance	% of Budget
Operating							
970-110	Facility Maintenance	\$588,566	\$568,812	\$0	\$568,812	(\$19,754)	103%
970-200	Vehicle Maintenance	\$873,392	\$1,001,861	\$0	\$1,001,861	\$128,469	87%
970-360	Communication Sys Maintenance	\$30,794	\$58,067	\$0	\$58,067	\$27,273	53%
970-450	HVAC Operations & Maintenance	\$118,621	\$117,671	\$0	\$117,671	(\$950)	101%
980-001	Water Production Dept Admin	\$3,800,523	\$3,673,644	\$0	\$3,673,644	(\$126,879)	103%
980-010	Water Production Operations	\$1,128,979	\$1,035,072	\$0	\$1,035,072	(\$93,907)	109%
980-020	Fleur Treatment Chem/Energy	\$5,283,367	\$5,612,008	\$0	\$5,612,008	\$328,641	94%
980-030	McMullen Treatment Chem/Energy	\$2,859,939	\$2,999,779	\$0	\$2,999,779	\$139,840	95%
980-040	Saylorville Treatment Chem/Energy	\$1,020,111	\$1,182,558	\$0	\$1,182,558	\$162,448	86%
980-200	Fleur Plant Maintenance	\$1,671,327	\$1,851,937	\$0	\$1,851,937	\$180,610	90%
980-250	McMullen Plant Maintenance	\$574,169	\$581,096	\$0	\$581,096	\$6,927	99%
980-300	Saylorville Plant Maintenance	\$532,733	\$518,168	\$0	\$518,168	(\$14,565)	103%
980-350	WP Maintenance Oversight	\$165,375	\$129,302	\$0	\$129,302	(\$36,073)	128%
980-410	Louise P. Moon Pumping & Maint.	\$547,871	\$496,835	\$0	\$496,835	(\$51,036)	110%
980-420	PC PS Maintenance	\$151,219	\$142,693	\$0	\$142,693	(\$8,526)	106%
980-430	DM Remote Storage & Pumping	\$623,106	\$627,483	\$0	\$627,483	\$4,377	99%
980-500	Routine Laboratory Monitoring	\$456,376	\$386,482	\$0	\$386,482	(\$69,894)	118%
980-520	Microbiology Program	\$175,509	\$162,826	\$0	\$162,826	(\$12,683)	108%
980-530	Pilot Plant/Research	\$16,865	\$53,883	\$0	\$53,883	\$37,018	31%
980-540	Source Water Quality Monitoring	\$19,953	\$95,283	\$0	\$95,283	\$75,330	21%
	Total Operating	\$20,638,793	\$21,295,460	\$0	\$21,295,460	\$656,667	97%
Capital							
985-010	Water Production Reinvestment	\$741,283	\$862,529	\$0	\$862,529	\$121,246	86%
975-010	Vehicle Capital	\$425,603	\$800,000	\$0	\$800,000	\$374,397	53%
	Total Capital	\$1,166,886	\$1,662,529	\$0	\$1,662,529	\$495,644	70%
Total Water Production		\$21,805,679	\$22,957,989	\$0	\$22,957,989	\$1,152,310	95%

Consent Agenda
Item 1-C

MONTHLY SCHEDULE FOR THE MONTH OF DECEMBER 2020

BANKERS TRUST EXCESS OPERATING CASH FUND	Investment Purchased	2,451,902.35
BANKERS TRUST EXCESS OPERATING CASH FUND	Investment Purchased	2,530,949.47
ACCOUNTS PAYABLE MONTHLY SCHEDULE	Weekly Check Runs	5,298,178.69
EMPLOYEE PAYROLL	Bi Weekly Payrolls	<u>798,485.01</u>
TOTAL		<u><u>\$11,079,515.52</u></u>

PAYMENTS FOR DECEMBER, 2020

PeopleSoft Financials

Report ID: DWAPR002.sqr

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
831	Treasurer State of Iowa	Iowa Water Excise Tax Payable	\$120,546.00
120720	City of Des Moines	Employee Health Insurance	301,740.06
121020	Treasurer State of Iowa	Iowa State Sales Tax Payable	42,999.00
121120	Principal Life Insurance	Deferred Compensation Payable	58,057.29
122320	Principal Life Insurance	Deferred Compensation Payable	57,311.46
122520	Treasurer State of Iowa	Iowa State Sales Tax Payable	73,751.00
123120	Discovery Benefits	Flex Spending - Reimbursements	8,747.82
201210	Treasurer State of Iowa	Iowa Water Excise Tax Payable	47,869.00
201211	Des Moines Water Works Credit Union	Credit Union Payable	39,231.00
201223	Des Moines Water Works Credit Union	Credit Union Payable	38,859.00
249855	A-Tec Recycling Inc.	Purchased Services	1,440.07
249856	Air Products	Inventory	1,878.30
249857	Allender Butzke Engineers Inc.	Contractors	408.21
249858	Amazon Capital Services Inc	Materials & Supplies	718.29
249859	American Toppers/Line-X	Vehicle Maintenance Materials	99.00
249860	Bearing Headquarters Company	Inventory	583.17
249861	Bill Doran	Materials & Supplies	154.75
249862	CMI	Purchased Services	889.04
249863	Canon Financial Services INC	Printing & Copies	1,175.70
249864	Carquest	Vehicle Maintenance Materials	26.09
249865	Casey Linn	Safety Boots	160.05
249866	Central State Scaffolding	Purchased Services	1,175.00
249867	CenturyLink	Telephone Services	140.46
249868	Cintas	Purchased Services	1,856.08
249869	Cleaveland Access Controls	Materials & Supplies	368.75
249870	Combined Systems Technology, Inc.	Materials & Supplies	1,903.30
249871	Commonwealth Electric Company	Purchased Services	2,055.61
249872	Consolidated Electrical Distributors	Materials & Supplies	14.96
249873	Copy Systems, Inc.	Printing & Copies	29.33
249874	D.J. Gongol & Associates, Inc	Materials & Supplies	450.25
249875	DJ Services LLC	Purchased Services	495.00
249876	DMF Gardens	Materials & Supplies	80.00
249877	DXP	Inventory	501.29
249878	Darrell Blair	Safety Boots	82.37
249879	Des Moines Asphalt & Paving Co., Inc.	Asphalt	1,317.60
249880	Dezurik c/o Mellen & Associates	Inventory	40.44
249881	Doors, Inc.	Vehicle Maintenance Materials	41.60
249882	Douglas E. Duckett	Training	1,500.00
249883	Dylan White	Mileage	560.05
249884	Ed Clark	Safety Boots	169.59
249885	Electric Pump	Inventory	96.29
249886	Elliott Service Group	Purchased Services	2,200.00
249887	Endress and Hauser	Inventory	293.27
249888	Eurofins Testing America Phoenix	Purchased Services	738.50
249889	FCS Group Inc	Consultants	1,040.00
249890	Factory Motor Parts Company	Vehicle Maintenance Materials	127.48
249891	Fareway on Fleur	Materials & Supplies	342.76
249892	First Choice Coffee	Food & Beverages	70.00
249893	General Fire & Safety Equipment	Purchased Services	169.00
249894	Gilcrest Jewett Lumber Company	Inventory	150.77
249895	Grainger, Inc.	Inventory	291.96
249896	Graybar Electric Company	Inventory	428.05
249897	Hach Chemical Company	Inventory	1,577.47
249898	Harben Incorporated	Materials & Supplies	1,413.15
249899	IDALS	Licenses & Certifications	15.00
249900	IDEXX Laboratories, Inc.	Materials & Supplies	2,179.29
249901	Image Solutions	Materials & Supplies	218.80

PAYMENTS FOR DECEMBER, 2020

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<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
249902	Industrial Glassware	Materials & Supplies	432.62
249903	Industrial Scientific Corporation	Dues and Memberships	2,315.03
249904	Ingersoll Rand	Inventory	50.18
249905	Integrated PT & Sports Med, PLLC	Purchased Services	170.00
249906	Iowa Irrigation	Purchased Services	850.00
249907	Iowa Public Radio	Advertising	973.60
249908	J.J. Keller	Subscriptions	640.53
249909	Jeff Herzberg	Materials & Supplies	37.40
249910	John's Tree Service, Inc.	Contractors	1,837.50
249911	Johnstone Supply	Materials & Supplies	435.12
249912	Jon DeJooe	Safety Glasses	375.00
249913	Master Single Payment Vendor	Refunds	18.66
249914	KONE Inc	Purchased Services	118.15
249915	Karey Alvarado	Safety Boots	144.40
249916	Logan Contractors Supply, Inc.	Materials & Supplies	696.54
249917	MSC Industrial Supply Company	Inventory	31.26
249918	Martin Marietta Aggregates	Materials & Supplies	2,107.98
249919	McMaster-Carr Supply Company	Materials & Supplies	329.86
249920	Midwest Office Technology, Inc.	Printing & Copies	953.29
249921	Molecular Repair Concepts	Materials & Supplies	300.14
249922	O'Halloran International	Vehicle Maintenance Materials	42.92
249923	O'Keefe Elevator Company Inc.	Purchased Services	654.45
249924	Paul Young	Safety Boots	169.95
249925	Power Seal	Inventory	1,167.73
249926	Premier Safety	Inventory	1,331.58
249927	Protex Central, Inc.	Materials & Supplies	2,320.72
249928	Raka	Vehicle Maintenance Materials	71.28
249929	Randy Buck	Safety Glasses	375.00
249930	Ray Gicante	Safety Glasses	19.98
249931	SCP Science	Inventory	84.00
249932	Scott Bierman	Safety Boots	116.59
249933	Sensus Metering Systems	Maintenance Contracts	1,949.94
249934	Smith's Sewer Service Inc.	Purchased Services	1,138.43
249935	Soil Tek	Materials & Supplies	57.30
249936	Star Equipment, Ltd.	Vehicle Maintenance Materials	192.83
249937	Steffen Truck Equipment Inc.	Vehicle Maintenance Materials	1,423.64
249938	Stetson Building Products	Inventory	326.58
249939	Storey-Kenworthy Company	Office Supplies	279.14
249940	Straub Corporation	Inventory	1,628.55
249941	Team Services, Inc.	Contractors	668.05
249942	The Shredder	Purchased Services	87.00
249943	Total Tool	Inventory	119.94
249944	Truck Center Companies	Vehicle Maintenance Materials	53.00
249945	U.S. Autoforce	Materials & Supplies	353.40
249946	UPS	Delivery/Freight	158.39
249947	USA Bluebook	Inventory	60.92
249948	United Rentals	Inventory	367.50
249949	United States Plastic Corporation	Inventory	120.56
249950	Van Meter Industrial, Inc.	Inventory	2,478.75
249951	Van-Wall Group	Vehicle Maintenance Materials	224.65
249952	Veenstra & Kimm, Inc.	Contractors	2,057.00
249953	Verizon Connect NWF, Inc	Vehicle Maintenance Materials	2,228.77
249954	Vessco	Inventory	503.55
249955	Waldinger Corporation	Purchased Services	1,920.00
249956	Waste Management of Iowa Inc.	Purchased Services	1,563.87
249957	Waste Solutions of Iowa	Purchased Services	1,230.00
249958	West Des Moines Water Works	Sewer	51.43

PAYMENTS FOR DECEMBER, 2020

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<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
249959	Xpedx	Inventory	813.60
249960	Ziegler Inc.	Purchased Services	669.45
249961	Aureon Communications	Telephone Services	3,941.88
249962	Bankers Trust Company	Corporate Credit Card	3,361.27
249963	CTI Ready Mix	Concrete	9,270.00
249964	CarbPure	Inventory	22,050.00
249965	Central Service & Supply, Inc.	Materials & Supplies	7,325.08
249966	Deere Credit, Inc	Capital Lease Payable	21,022.56
249967	Electrical Engineering & Equipment Co.	Contractors	2,665.44
249968	Employee and Family Resources	Purchased Services	7,733.76
249969	Global Security Services	Purchased Services	17,590.72
249970	Kemira Water Solutions, Inc	Inventory	12,555.48
249971	MW Media Consultants, LLC	Consultants	4,000.00
249972	Mail Services LLC	Postage	14,485.71
249973	Mid American Energy	Utilities - Electric & Natural Gas	10,619.74
249974	Mid Country Machinery, Inc.	Purchased Services	2,676.60
249975	Mississippi Lime Company	Inventory	40,819.94
249976	Municipal Supply, Inc.	Inventory	23,636.10
249977	Neptune Technology Group Inc	Inventory	8,019.95
249978	Plumb Supply Company	Materials & Supplies	2,826.67
249979	Pratum, Inc	Purchased Services	7,050.00
249980	Seneca Companies	Purchased Services	12,699.47
249981	Servicemaster - Rice	Casualty Losses	7,685.71
249982	Strauss Security Solutions	Materials & Supplies	6,034.72
249983	Synergy Contracting LLC	Purchased Services	10,141.00
249984	Valley Plumbing Company, Inc.	Contractors	2,583.20
249985	Verizon Wireless Messaging Service	Cell Phones	9,999.24
249986	Vertex Chemical Corporation	Inventory	9,984.28
249987	Voya Financial	Insurance Withholding	9,791.56
249988	48Web	Maintenance Contracts	125.00
249989	AFSCME	Union Dues Payable	88.62
249990	Acme Tools	Inventory	146.50
249991	Air Products	Inventory	1,957.50
249992	Air-Mach Air Compressor &	Materials & Supplies	120.00
249993	Airgas North Central	Tools	2,232.88
249994	Allied Electronics	Materials & Supplies	174.10
249995	Amazon Capital Services Inc	Materials & Supplies	2,215.72
249996	American Plumbing Supply Co.	Vehicle Maintenance Materials	220.00
249997	Baker Group	Purchased Services	1,997.04
249998	Bearing Distributors Inc.	Inventory	178.48
249999	Brian Welker	Safety Glasses	128.40
250000	CDW	Materials & Supplies	192.00
250001	Canon Financial Services INC	Printing & Copies	982.53
250002	Capital Sanitary Supply	Inventory	414.24
250003	Carquest	Vehicle Maintenance Materials	1,272.26
250004	Central Iowa Ready Mix	Concrete	720.00
250005	CenturyLink	Telephone Services	67.76
250006	Charles Thomas Cater	Safety Glasses	272.05
250007	City of Des Moines	Contractors	1,472.15
250008	Cleaveland Access Controls	Purchased Services	1,100.00
250009	Construction & Aggregate Products, Inc.	Inventory	133.48
250010	Contractors Rental Company, Inc.	Purchased Services	56.00
250011	Copy Systems, Inc.	Maintenance Contracts	24.72
250012	Core and Main	Inventory	1,400.46
250013	DXP	Inventory	238.47
250014	Data Source Media	Inventory	1,160.39
250015	Dennis Jackson	Safety Glasses	308.00

PAYMENTS FOR DECEMBER, 2020

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250016	Des Moines Asphalt & Paving Co., Inc.	Asphalt	726.30
250017	Dex Media	Advertising	136.78
250018	Electrical Engineering & Equipment Co.	Maintenance Contracts	1,100.00
250019	Electronic Engineering Company	Purchased Services	1,374.00
250020	Factory Motor Parts Company	Vehicle Maintenance Materials	130.14
250021	Fastenal Company	Inventory	368.09
250022	Fire Hose Direct	Materials & Supplies	241.66
250023	Fisher Scientific	Inventory	431.56
250024	For Sure Roofing	Purchased Services	471.08
250025	Garratt-Callahan Company	Purchased Services	1,000.00
250026	Global Industrial Company Inc.	Materials & Supplies	193.49
250027	Grainger, Inc.	Vehicle Maintenance Materials	2,314.96
250028	Graybar Electric Company	Inventory	259.27
250029	Herc-U-Lift	Purchased Services	879.20
250030	IP Pathways, LLC	Data Processing Equipment	2,083.46
250031	Image Solutions	Materials & Supplies	139.95
250032	In The Bag	Food & Beverages	521.00
250033	Interstate All Battery	Inventory	39.70
250034	Iowa Prison Industries	Materials & Supplies	45.50
250035	Jesse Fries	Materials & Supplies	192.54
250036	Joe Jones, JR	Safety Boots	174.90
250037	Joseph Cook	Safety Boots	245.00
250038	Kryger Glass	Purchased Services	315.83
250039	Kyle Danley	Safety Boots and License & Certification	345.00
250040	LSR+ Inc.	Purchased Services	577.80
250041	Larry's Window Service, Inc.	Purchased Services	110.00
250042	Lawson Products, Inc.	Inventory	98.06
250043	MSC Industrial Supply Company	Vehicle Maintenance Materials	648.25
250044	Martin Marietta Aggregates	Materials & Supplies	1,689.83
250045	McMaster-Carr Supply Company	Inventory	461.89
250046	Mead O'Brien, Inc.	Inventory	181.31
250047	Menard's	Materials & Supplies	42.95
250048	Home City Ice	Park Materials	49.50
250049	Mid American Energy	Utilities - Electric & Natural Gas	2,295.16
250050	Midwest Office Technology, Inc.	Printing & Copies	819.60
250051	Midwest Wheel Companies	Vehicle Maintenance Materials	33.80
250052	Mowbilty Sales and Service	Vehicle Maintenance Materials	29.55
250053	Murphy Tractor & Equipment	Vehicle Maintenance Materials	499.04
250054	Northern Tool and Equipment	Materials & Supplies	35.94
250055	O'Reilly Auto Parts	Vehicle Maintenance Materials	140.89
250056	Ottosen Oil Company	Inventory	226.84
250057	Plate Locks	Inventory	1,643.65
250058	Plumb Supply Company	Inventory	298.52
250059	Praxair Distribution Inc.	Tools	136.60
250060	Premier Safety	Inventory	336.90
250061	Protex Central, Inc.	Purchased Services	395.80
250062	Ramco Innovations	Materials & Supplies	35.60
250063	Reliable Maintenance Company	Purchased Services	2,460.00
250064	Revenue Advantage	Purchased Services	950.00
250065	Robert Wright	Safety Boots	245.00
250066	Samson Controls Inc	Materials & Supplies	1,779.31
250067	Servicemaster Commercial Carpet, Inc.	Purchased Services	541.00
250068	Sherwin Williams	Materials & Supplies	112.78
250069	Soil Tek	Contractors	431.10
250070	Springer Pest Solutions DSM	Purchased Services	65.00
250071	Stetson Building Products	Tools	33.00
250072	Stew Hansen's Dodge City Inc.	Purchased Services	1,204.07

PAYMENTS FOR DECEMBER, 2020

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<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
250073	Subsurface Locators Inc	Materials & Supplies	2,050.00
250074	Superior Industrial Equipment	Inventory	378.89
250075	Team Services, Inc.	Contractors	1,317.05
250076	Telelanguage, Inc	Purchased Services	954.08
250077	Tierpoint	Consultants	1,211.50
250078	Tompkins Industries, Inc.	Inventory	227.44
250079	Tony Knox	Mileage	139.09
250080	Total Tool	Materials & Supplies	227.15
250081	Truck Equipment, Inc.	Vehicle Maintenance Materials	343.60
250082	Twin Cities Industrial Control	Inventory	272.00
250083	USA Bluebook	Inventory	144.41
250084	USA Safety Supply Corp	Inventory	449.49
250085	United Seeds, inc.	Park Materials	542.50
250086	Utilimaster	Vehicle Maintenance Materials	158.84
250087	Van Meter Industrial, Inc.	Materials & Supplies	685.83
250088	Verizon Connect NWF, Inc	Vehicle Maintenance Materials	2,228.00
250089	Vessco	Inventory	2,196.96
250090	Warren Water District	Purchased Services	1,946.10
250091	Waste Management of Iowa Inc.	Purchased Services	480.85
250092	Wex Bank	Gasoline	161.05
250093	Zenon Environmental Corporation	Inventory	558.00
250094	Ziegler Inc.	Vehicle Maintenance Materials	414.21
250095	AFSCME Local 3861-3	Union Dues Payable	2,749.28
250096	Aclara RF Systems, Inc	Inventory	55,372.80
250097	American Fence of Iowa	Purchased Services	5,991.00
250098	B & C Commercial Cleaning L.C.	Purchased Services	4,600.00
250099	Bonnie's Barricades	Contractors	3,609.85
250100	CTI Ready Mix	Concrete	3,022.00
250101	Cintas	Purchased Services	3,640.36
250102	City of Alleman	Alleman Payable	6,503.64
250103	City of Cumming	Billing Service Revenue	2,834.75
250104	City of Pleasant Hill	Billing Service Revenue	168,505.79
250105	City of Runnells	Billing Service Revenue	5,420.01
250106	City of Windsor Heights	Billing Service Revenue	46,683.93
250107	Combined Systems Technology, Inc.	Office Equipment	9,793.30
250108	Crane Sales & Service	Purchased Services	4,400.00
250109	Douglas K. Oscarson	Consultants	4,451.10
250110	Greenfield Plaza Sanitary Sewer	Billing Service Revenue	23,517.96
250111	Hach Chemical Company	Inventory	8,061.11
250112	Hawkins Water Treatment Group	Inventory	13,078.80
250113	HomeServe USA	Billing Service Revenue	163,881.49
250114	I'll Do It	Contractors	7,960.00
250115	IMEG Corp	Consultants	14,789.27
250116	Jacobs Engineering Group, Inc	Contractors	14,379.35
250117	Keck, Energy	Inventory	11,455.12
250118	Kemira Water Solutions, Inc	Inventory	18,975.06
250119	LMC Insurance & Risk Management	Prepaid Insurance	88,811.00
250120	Mail Services LLC	Postage	7,648.24
250121	Mississippi Lime Company	Inventory	45,381.07
250122	Municipal Supply, Inc.	Inventory	15,041.50
250123	New Horizons Computer Learning Center	Training	5,000.00
250124	On Track Construction, LLC	Contractors	382,258.33
250125	Opex Corporation	Maintenance Contracts	3,000.00
250126	Polk County	Billing Service Revenue	45,519.12
250127	Polk County Treasurer	Billing Service Revenue	21,723.89
250128	SM Hentges & Sons Inc	Contractors	350,512.17
250129	Strauss Security Solutions	Materials & Supplies	16,188.12

PAYMENTS FOR DECEMBER, 2020

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250130	Thomas Bus Sales	Vehicle Maintenance Materials	4,195.00
250131	Torgerson Excavating	Plumbing	36,218.34
250132	Urbandale/Windsor Heights Sanitary Dist	Billing Service Revenue	36,094.25
250133	Utility Equipment Company	Inventory	5,794.25
250134	Vertex Chemical Corporation	Inventory	6,721.34
250135	Wells Commercial Flooring	Contractors	13,600.00
250136	Woodland Lake Estate Association	Woodland Lakes Estates Payable	3,770.00
250137	Master Single Payment Vendor	Refunds	10.35
250138	Master Single Payment Vendor	Refunds	14.05
250139	Master Single Payment Vendor	Refunds	53.13
250140	Master Single Payment Vendor	Refunds	162.42
250141	Master Single Payment Vendor	Refunds	141.93
250142	Master Single Payment Vendor	Refunds	114.47
250143	Master Single Payment Vendor	Refunds	59.96
250144	Master Single Payment Vendor	Refunds	138.80
250145	Master Single Payment Vendor	Refunds	17.67
250146	Master Single Payment Vendor	Refunds	179.25
250147	Master Single Payment Vendor	Refunds	124.41
250148	Master Single Payment Vendor	Refunds	153.44
250149	Master Single Payment Vendor	Refunds	13.92
250150	Master Single Payment Vendor	Refunds	198.33
250151	Master Single Payment Vendor	Refunds	113.29
250152	Master Single Payment Vendor	Refunds	53.82
250153	Master Single Payment Vendor	Refunds	36.82
250154	Master Single Payment Vendor	Refunds	78.65
250155	Master Single Payment Vendor	Refunds	16.38
250156	Master Single Payment Vendor	Refunds	231.36
250157	Master Single Payment Vendor	Refunds	68.06
250158	Master Single Payment Vendor	Refunds	117.01
250159	Master Single Payment Vendor	Refunds	5.97
250160	Master Single Payment Vendor	Refunds	103.04
250161	Master Single Payment Vendor	Refunds	13.63
250162	Master Single Payment Vendor	Refunds	42.59
250163	Master Single Payment Vendor	Refunds	137.45
250164	Master Single Payment Vendor	Refunds	51.63
250165	Master Single Payment Vendor	Refunds	151.19
250166	Master Single Payment Vendor	Refunds	65.53
250167	Master Single Payment Vendor	Refunds	213.30
250168	Master Single Payment Vendor	Refunds	99.41
250169	Master Single Payment Vendor	Refunds	90.80
250170	Master Single Payment Vendor	Refunds	33.69
250171	Master Single Payment Vendor	Refunds	33.77
250172	Master Single Payment Vendor	Refunds	101.75
250173	Master Single Payment Vendor	Refunds	15.93
250174	Master Single Payment Vendor	Refunds	194.08
250175	Master Single Payment Vendor	Refunds	26.49
250176	Master Single Payment Vendor	Refunds	115.77
250177	Master Single Payment Vendor	Refunds	69.20
250178	Master Single Payment Vendor	Refunds	30.13
250179	Master Single Payment Vendor	Refunds	32.01
250180	Master Single Payment Vendor	Refunds	22.83
250181	Master Single Payment Vendor	Refunds	120.04
250182	Master Single Payment Vendor	Refunds	187.62
250183	Master Single Payment Vendor	Refunds	32.10
250184	Master Single Payment Vendor	Refunds	78.13
250185	Master Single Payment Vendor	Refunds	61.79
250186	Master Single Payment Vendor	Refunds	31.18

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250187	Master Single Payment Vendor	Refunds	54.84
250188	Master Single Payment Vendor	Refunds	74.80
250189	AT&T Mobility	Cell Phones	94.06
250190	Air Products	Inventory	1,844.10
250191	Amazon Capital Services Inc	Materials & Supplies	1,809.56
250192	Blackburn Manufacturing Company	Inventory	228.44
250193	Bonnie's Barricades	Materials & Supplies	2,365.20
250194	Business Furniture Warehouse	Materials & Supplies	475.00
250195	Central State Scaffolding	Purchased Services	1,420.00
250196	CenturyLink	Telephone Services	154.72
250197	Chaning Clausen	Safety Boots	36.66
250198	Cintas	Materials & Supplies	372.90
250199	Copy Cat	Contractors	414.75
250200	Copy Systems, Inc.	Maintenance Contracts	145.58
250201	Core and Main	Inventory	530.48
250202	DMACC	Training	1,140.00
250203	Des Moines Iron Company	Vehicle Maintenance Materials	449.46
250204	Voided Check		0.00
250205	Fastenal Company	Inventory	86.23
250206	Fisher Scientific	Materials & Supplies	902.64
250207	Grainger, Inc.	Materials & Supplies	1,168.20
250208	Graybar Electric Company	Inventory	986.74
250209	HY-VEE	Materials & Supplies	79.76
250210	Harben Incorporated	Materials & Supplies	781.33
250211	Hoists Direct	Materials & Supplies	937.00
250212	Illinois Mutual & Life Casualty Company	Insurance Withholding	17.81
250213	Image Solutions	Materials & Supplies	336.00
250214	Indelco Plastics	Inventory	1,329.85
250215	Interstate Power Systems, Inc	Purchased Services	173.00
250216	Iowa Public Procurement Association	Dues and Memberships	20.00
250217	Jennifer Puffer	Licenses & Certifications	100.00
250218	John Scheepers	Materials & Supplies	955.08
250219	Lawson Products, Inc.	Inventory	73.82
250220	Lyle Pritchard	Safety Boots	334.38
250221	MSC Industrial Supply Company	Inventory	44.75
250222	Martin Marietta Aggregates	Inventory	464.44
250223	Mickinen Miller	Safety Glasses	375.00
250224	Motion Industries	Inventory	139.17
250225	Municipal Supply, Inc.	Inventory	2,103.85
250226	Murphy Tractor & Equipment	Vehicle Maintenance Materials	416.17
250227	Napa Auto Parts	Vehicle Maintenance Materials	1,619.50
250228	Nite Owl Printing	Printing & Copies	847.00
250229	Northern Tool and Equipment	Tools	140.99
250230	One Source	Purchased Services	263.85
250231	Otsen Oil Company	Vehicle Maintenance Materials	2,240.74
250232	Plumb Supply Company	Inventory	249.93
250233	Reppert Rigging & Hauling Co.	Contractors	400.00
250234	Sam Riccelli	Safety Glasses	375.00
250235	Star Equipment, Ltd.	Inventory	1,357.66
250236	Stivers	Vehicle Maintenance Materials	71.89
250237	Strauss Security Solutions	Purchased Services	90.00
250238	Torgerson Excavating	Plumbing	337.50
250239	Total Tool	Inventory	552.95
250240	ULINE	Inventory	89.80
250241	UPHDM Occupational Medicine	Purchased Services	715.00
250242	UPS	Delivery/Freight	50.02
250243	USA Safety Supply Corp	Inventory	304.93

PAYMENTS FOR DECEMBER, 2020

PeopleSoft Financials

Report ID: DWAPR002.sqr

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
250244	United Rental Trench Safety	Contractors	555.00
250245	United States Plastic Corporation	Inventory	195.79
250246	Utility Equipment Company	Inventory	103.26
250247	VWR International LLC	Inventory	838.70
250248	Van Meter Industrial, Inc.	Inventory	2,132.49
250249	Vessco	Materials & Supplies	2,419.78
250250	Waste Solutions of Iowa	Purchased Services	1,209.00
250251	Willco, Inc	Materials & Supplies	1,844.60
250252	Bearing Headquarters Company	Materials & Supplies	5,934.29
250253	CTI Ready Mix	Concrete	15,137.00
250254	Central Service & Supply, Inc.	Purchased Services	6,981.00
250255	Chemtrade Chemicals US LLC	Inventory	14,950.66
250256	City of Des Moines	Casualty Losses	3,677.58
250257	City of Des Moines	Contractors	3,435.00
250258	Consolidated Water Solutions	Inventory	8,079.99
250259	Dickinson, Mackaman, Tyler, & Hagen, PC	Legal Fees	9,273.00
250260	Douglas K. Oscarson	Consultants	4,906.20
250261	ESRI	Maintenance Contracts	50,000.00
250262	Eurofins Abraxis LLC	Inventory	4,479.00
250263	Cortrol Process Systems	Inventory	17,406.95
250264	I'll Do It	Contractors	6,665.00
250265	Keck, Energy	Inventory	8,650.74
250266	Kemira Water Solutions, Inc	Inventory	6,179.98
250267	McMaster-Carr Supply Company	Materials & Supplies	2,507.04
250268	Mid American Energy	Utilities - Electric & Natural Gas	152,267.55
250269	Mississippi Lime Company	Inventory	52,730.72
250270	Neptune Technology Group Inc	Inventory	5,895.87
250271	NewCom Technologies, Inc	Consultants	7,187.50
250272	Nichols Equipment LLC	Vehicle Maintenance Materials	2,500.00
250273	Pratum, Inc	Purchased Services	7,080.00
250274	Principal Life Insurance	Pension Plan Contribution	364,477.50
250275	Raftelis	Consultants	3,177.50
250276	Snyder & Associates, Inc.	Contractors	3,018.00
250277	State Hygienic Laboratory	Purchased Services	9,515.00
250278	Verizon Wireless Messaging Service	Cell Phones	4,724.99
250279	Wellmark Blue Cross & Blue Shield of IA	Group Insurance Premiums	24,305.60
250280	AFSCME	Union Dues Payable	86.69
250281	Acme Tools	Inventory	626.90
250282	Air Filter Sales And Services, Inc	Inventory	40.08
250283	Andy Beals	Safety Glasses	190.98
250284	Beeline Blue	Purchased Services	13.20
250285	Bob Brown Chevrolet, Inc.	Vehicle Maintenance Materials	273.72
250286	C. H. McGuinness Company, Inc.	Materials & Supplies	420.21
250287	CDW	Materials & Supplies	113.70
250288	CTI Ready Mix	Concrete	2,230.50
250289	Capital Sanitary Supply	Inventory	396.15
250290	Carquest	Vehicle Maintenance Materials	1,121.94
250291	Carrie Wolfe	Dues and Memberships	135.00
250292	Central Iowa Pest Control	Purchased Services	856.00
250293	Cintas	Purchased Services	1,906.96
250294	City Supply Corporation	Inventory	85.80
250295	Construction & Aggregate Products, Inc.	Materials & Supplies	126.00
250296	Consulting Archaeological Services	Consultants	1,650.00
250297	Core and Main	Inventory	1,590.43
250298	DXP	Inventory	1,767.83
250299	Data Source Media	Inventory	562.76
250300	Des Moines Iron Company	Vehicle Maintenance Materials	196.02

PAYMENTS FOR DECEMBER, 2020

PeopleSoft Financials

Report ID: DWAPR002.sqr

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
250301	Donald Miller	Safety Boots	224.69
250302	Donald West	Safety Boots	92.37
250303	Electronic Engineering Company	Purchased Services	1,374.00
250304	Erika Hale	Mileage	160.44
250305	FCS Group Inc	Consultants	320.00
250306	Factory Motor Parts Company	Vehicle Maintenance Materials	551.17
250307	First Choice Coffee	Food & Beverages	226.50
250308	Fisher Scientific	Inventory	1,837.75
250309	Garratt-Callahan Company	Purchased Services	500.00
250310	Gilcrest Jewett Lumber Company	Inventory	807.53
250311	Global Industrial Company Inc.	Office Equipment	232.94
250312	Grainger, Inc.	Materials & Supplies	2,499.04
250313	Graybar Electric Company	Inventory	754.77
250314	Hach Chemical Company	Inventory	2,034.23
250315	Hawkins Water Treatment Group	Inventory	312.00
250316	Hazardous Waste Management, Inc.	Purchased Services	831.00
250317	Home City Ice	Park Materials	363.00
250318	Hotsy Cleaning Systems	Purchased Services	1,791.64
250319	Impact7g	Contractors	135.00
250320	Interstate Chemical Co.	Inventory	1,378.52
250321	Iowa Division of Labor Services	Purchased Services	80.00
250322	JNR Adjustment Company	Casualty Losses	494.35
250323	Jason Turner	Safety Boots and Safety Glasses	237.87
250324	Jessica Barnett	Safety Boots	245.00
250325	Jon DeJoode	Materials & Supplies	130.35
250326	Kinetics Industries, Inc.	Contractors	488.71
250327	Larry's Window Service, Inc.	Purchased Services	110.00
250328	Lawson Products, Inc.	Inventory	51.22
250329	Logan Contractors Supply, Inc.	Inventory	1,540.45
250330	MSC Industrial Supply Company	Inventory	336.40
250331	Mathew Sanford	Safety Glasses	348.81
250332	Melissa Fuller	Safety Boots	245.00
250333	Menard's	Vehicle Maintenance Materials	599.88
250334	Novaspect	Inventory	1,932.29
250335	O'Halloran International	Vehicle Maintenance Materials	255.16
250336	O'Reilly Auto Parts	Vehicle Maintenance Materials	7.42
250337	Oldcastle Architectural	Materials & Supplies	1,114.00
250338	Ottsen Oil Company	Materials & Supplies	168.08
250339	Paul Sanford	Safety Boots	74.19
250340	Per Mar Security, Inc.	Purchased Services	476.79
250341	Plumb Supply Company	Inventory	1,120.26
250342	Power Seal	Inventory	613.56
250343	Premier Safety	Inventory	93.15
250344	Ramco Innovations	Inventory	689.87
250345	Randy Buck	Safety Boots	125.77
250346	Ring-O-Matic	Materials & Supplies	377.51
250347	Scotty's Body Shop, Inc.	Purchased Services	2,433.96
250348	Semper Fi Fund	Charitable PR Deduction	129.70
250349	Seneca Companies	Purchased Services	182.75
250350	Sherwin Williams	Materials & Supplies	67.98
250351	Smith's Sewer Service Inc.	Purchased Services	103.79
250352	Star Equipment, Ltd.	Vehicle Maintenance Materials	372.00
250353	Sweco/Pearson Arnold	Inventory	1,783.60
250354	Tension Envelope Corporation	Inventory	1,464.80
250355	The Shredder	Purchased Services	87.00
250356	Tompkins Industries, Inc.	Vehicle Maintenance Materials	78.55
250357	Total Tool	Inventory	602.91

PAYMENTS FOR DECEMBER, 2020

PeopleSoft Financials

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<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
250358	Twin Cities Industrial Control	Inventory	2,126.00
250359	UPS	Delivery/Freight	16.15
250360	USA Bluebook	Inventory	368.94
250361	USA Safety Supply Corp	Inventory	586.59
250362	United Way of Central Iowa	Charitable PR Deduction	287.08
250363	VWR International LLC	Inventory	83.87
250364	Van Meter Industrial, Inc.	Materials & Supplies	1,041.06
250365	Zenon Environmental Corporation	Materials & Supplies	104.00
250366	AFSCME Local 3861-3	Union Dues Payable	2,709.28
250367	Amazon Capital Services Inc	Materials & Supplies	3,651.57
250368	Aureon Communications	Telephone Services	3,941.82
250369	Bonnie's Barricades	Contractors	7,991.05
250370	CarbPure	Inventory	21,000.00
250371	Global Security Services	Purchased Services	35,278.43
250372	Hill Bros. Asphalt	Asphalt	3,312.00
250373	Kemira Water Solutions, Inc	Inventory	12,494.89
250374	Mail Services LLC	Postage	4,026.47
250375	Martin Marietta Aggregates	Inventory	10,294.52
250376	McMaster-Carr Supply Company	Inventory	4,003.09
250377	Mid Country Machinery, Inc.	Purchased Services	2,676.60
250378	Mississippi Lime Company	Inventory	8,351.07
250379	Municipal Supply, Inc.	Inventory	4,728.80
250380	Neptune Technology Group Inc	Inventory	18,608.00
250381	Suez Water Technologies	Inventory	26,485.71
250382	Synagro Central, LLC	Contractors	71,524.26
250383	Vertex Chemical Corporation	Inventory	3,315.16
250384	Wonderware	Purchased Services	57,226.00
250385	A.J. Allen Mechanical Contractors, Inc.	Purchased Services	1,036.85
250386	Acme Tools	Inventory	747.64
250387	Air Products	Inventory	1,774.80
250388	Airgas North Central	Materials & Supplies	335.20
250389	Allender Butzke Engineers Inc.	Contractors	408.21
250390	Allied Electronics	Materials & Supplies	200.92
250391	Amazon Capital Services Inc	Materials & Supplies	1,206.81
250392	Andrew Jeremiah Tietjens	Safety Boots	131.81
250393	Barr Engineering Company	Contractors	1,482.00
250394	Bill Russell	Safety Boots	181.78
250395	Bob Brown Chevrolet, Inc.	Vehicle Maintenance Materials	121.67
250396	Bob Jolly	Safety Glasses	156.00
250397	Bret Percy	Safety Boots	149.79
250398	Bryan Pollpeter	Safety Boots	245.00
250399	CFI Tire Service	Vehicle Maintenance Materials	274.00
250400	CMI	Purchased Services	273.58
250401	CTI Ready Mix	Concrete	1,360.00
250402	Canon Financial Services INC	Printing & Copies	1,175.70
250403	Capital Sanitary Supply	Inventory	206.90
250404	Carla Schumacher	Licenses & Certifications	100.00
250405	CenturyLink	Telephone Services	102.72
250406	Cintas	Purchased Services	2,088.01
250407	Clevest Solutions, Inc	Maintenance Contracts	1,440.00
250408	Commercial Bag & Supply Co	Inventory	57.44
250409	Consumer Energy	Electrical Power	109.43
250410	Copy Cat	Printing & Copies	380.30
250411	Copy Systems, Inc.	Maintenance Contracts	29.33
250412	Des Moines Water Works Petty Cash	Materials & Supplies	1,514.64
250413	DMWW Employee	Refund of Garnishment	460.63
250414	Eastern Iowa Tire	Vehicle Maintenance Materials	666.08

PAYMENTS FOR DECEMBER, 2020

PeopleSoft Financials

Report ID: DWAPR002.sqr

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
250415	Elliott Service Group	Purchased Services	1,997.50
250416	Eric Goode	Safety Boots, Safety Glasses and Materials & Supplies	820.00
250417	Eurofins Abraxis LLC	Inventory	2,359.00
250418	Fastenal Company	Inventory	131.91
250419	Ferrellgas, Inc.	Materials & Supplies	104.80
250420	First Choice Coffee	Food & Beverages	300.20
250421	Fisher Scientific	Inventory	258.95
250422	Cortrol Process Systems	Inventory	838.04
250423	For Sure Roofing	Contractors	2,031.95
250424	Graybar Electric Company	Inventory	578.26
250425	Hach Chemical Company	Inventory	1,692.43
250426	Herc-U-Lift	Purchased Services	90.00
250427	Illinois Mutual & Life Casualty Company	Insurance Withholding	17.81
250428	Ingersoll Rand	Purchased Services	826.57
250429	Iowa Environmental Services	Contractors	75.00
250430	Iowa Prison Industries	Materials & Supplies	714.00
250431	Jeremy Banks	Safety Glasses	364.00
250432	Joshua Rathje	Materials & Supplies	195.64
250433	Katie Vandal	Mileage	257.60
250434	Kyle Danley	Safety Glasses	194.95
250435	LSR+ Inc.	Purchased Services	1,822.68
250436	Logan Contractors Supply, Inc.	Materials & Supplies	1,520.30
250437	MSC Industrial Supply Company	Vehicle Maintenance Materials	842.50
250438	Menard's	Vehicle Maintenance Materials	110.86
250439	Mickinen Miller	Materials & Supplies	200.00
250440	Mid Country Machinery, Inc.	Contractors	585.00
250441	Midwest Office Technology, Inc.	Printing & Copies	676.72
250442	Midwest Wheel Companies	Vehicle Maintenance Materials	6.24
250443	Murphy Tractor & Equipment	Vehicle Maintenance Materials	516.27
250444	Neptune Technology Group Inc	Inventory	1,594.58
250445	Neumann Builders	Purchased Services	686.23
250446	O'Halloran International	Vehicle Maintenance Materials	251.04
250447	Plumb Supply Company	Inventory	361.48
250448	Postmaster	Postage	2,000.00
250449	Postmaster	Postage	725.00
250450	Premier Safety	Inventory	205.64
250451	Robert Allison	Safety Boots	195.53
250452	Scott Manning	Safety Boots, Safety Glasses and Materials & Supplies	674.58
250453	Shane Scott	Materials & Supplies	192.59
250454	Star Equipment, Ltd.	Vehicle Maintenance Materials	837.89
250455	Stetson Building Products	Inventory	35.16
250456	Steve Birkestrand	Safety Boots	105.95
250457	Stew Hansen's Dodge City Inc.	Purchased Services	1,847.68
250458	Stivers	Vehicle Maintenance Materials	195.90
250459	Taylor Andrew	Safety Glasses	375.00
250460	Tim Hildreth Company, Inc.	Contractors	342.50
250461	Todd Monson	Safety Boots	104.96
250462	Total Tool	Inventory	22.51
250463	Travelers Home and Marine Ins Co.	Casualty Losses	1,513.90
250464	U.S. Autoforce	Vehicle Maintenance Materials	601.72
250465	USA Bluebook	Inventory	62.50
250466	USA Safety Supply Corp	Inventory	202.77
250467	United States Plastic Corporation	Inventory	162.01
250468	Utility Equipment Company	Inventory	1,018.26
250469	Verizon Wireless Messaging Service	Cell Phones	90.92
250470	Aclara RF Systems, Inc	Inventory	4,620.00
250471	Bankers Trust Company	Corporate Credit Card	4,727.71

PAYMENTS FOR DECEMBER, 2020

PeopleSoft Financials

Report ID: DWAPR002.sqr

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
250472	Bonnie's Barricades	Contractors	5,299.40
250473	Business Furniture Warehouse	Office Equipment	3,652.00
250474	Capital City Equipment Company	Vehicle Maintenance Materials	20,320.74
250475	Central Pump and Motor	Contractors	2,589.65
250476	Chemtrade Chemicals US LLC	Inventory	14,729.25
250477	City of Des Moines	Contractors	92,486.54
250478	Clear Edge Filtration	Inventory	5,626.36
250479	DXP	Materials & Supplies	2,930.42
250480	Douglas K. Oscarson	Consultants	2,719.50
250481	Grainger, Inc.	Inventory	3,049.12
250482	Innovational Water Solutions, Inc	Purchased Services	3,851.39
250483	Kemira Water Solutions, Inc	Inventory	12,269.07
250484	Mail Services LLC	Postage	20,651.38
250485	McMaster-Carr Supply Company	Materials & Supplies	2,647.59
250486	Mid American Energy	Utilities - Electric & Natural Gas	30,609.65
250487	Mississippi Lime Company	Inventory	60,613.28
250488	Municipal Supply, Inc.	Inventory	30,237.85
250489	Pitney Bowes Inc.	Purchased Services	8,911.29
250490	Shannon Chemical	Inventory	17,174.10
250491	Softing Inc	Materials & Supplies	5,505.00
250492	Synagro Central, LLC	Contractors	75,899.13
250493	United Rental Trench Safety	Materials & Supplies	5,500.00
250494	Vertex Chemical Corporation	Inventory	6,792.25
250495	Voya Financial	Insurance Withholding	10,473.39
250496	Ziegler Inc.	Materials & Supplies	39,062.47
787339	ADP, LLC	Purchased Services	9,342.00
899279	IPERS Collections	Pension Plan Contribution	215,972.11
121120	Collection Services Center	Garnishment of Wages	2,864.59
121120	Treasurer State of Iowa	State Withholding Taxes Payable	30,359.62
121120	Internal Revenue Service	Withholding Taxes Payable	173,653.71
122320	Collection Services Center	Garnishment of Wages	2,287.55
122320	Treasurer State of Iowa	State Withholding Taxes Payable	29,328.16
122320	Internal Revenue Service	Withholding Taxes Payable	167,091.24
TOTAL			<u>\$5,298,178.69</u>

CEO APPROVED EXPENDITURES GREATER THAN \$20,000
MONTHLY SCHEDULE FOR THE MONTH OF DECEMBER 2020

Check #	Vendor	Description	Amount	Details
	none			

DES MOINES WATER WORKS
Board of Water Works Trustees



2201 George Flagg Parkway | Des Moines, Iowa 50321-1190 | (515) 283-8700 | www.dmwww.com

MEMORANDUM

DATE: January 15, 2021

TO: Ted Corrigan, CEO and General Manager

FROM: Peggy Freese, CFO

SUBJECT: Reserve Funds Investment Policy

The Investment Policy contained in Section 6 of the Board Policy Manual requires that the Board review the investment policy annually at the time of approving the depositories each year. The policy is attached, but the following is a brief summary:

- The Investment Policy will comply with Chapter 12B of the Code of Iowa.
- The primary objectives of the policy, in order of importance, are safety, liquidity, and return.
- Eligible investment instruments are:
 1. Interest-bearing accounts with banks in the State of Iowa
 2. Obligations of the U.S. government
 3. Certificates of Deposit at banks in the State of Iowa
 4. Repurchase agreements
- Operating fund investments must mature in no more than 397 days.
- Non-operating fund investments must mature in no more than 1,726 days.
- Board authorizes the staff to use its best judgment in the selection of securities within these guidelines.
- Staff will report monthly to the Board on the status of all reserve funds.

Attachment

608 Investment Policy.

608.1 Scope of Investment Policy.

608.1.1 The Investment Policy of the Board of Trustees of the City of Des Moines, Iowa ("Board") shall apply to all operating funds, bond proceeds and other funds and all investment transactions involving operating funds, bond proceeds and other funds accounted for in the financial statements of Board of Trustees. Each investment made pursuant to this Investment Policy must be authorized by applicable law and this written Investment Policy.

608.1.2 The investment of bond funds or sinking funds shall comply not only with this Investment Policy, but also be consistent with any applicable bond resolution.

608.1.3 This Investment Policy is intended to comply with Code of Iowa, Chapter 12B.

608.1.4 Upon passage and upon future amendment, if any, copies of this Investment Policy shall be delivered to all of the following:

608.1.4.1 Board of Trustees.

608.1.4.2 All depository institutions or fiduciaries for public funds of Board of Trustees.

608.1.4.3 The auditor engaged to audit any fund of Board of Trustees.

608.1.5 In addition, a copy of this Investment Policy shall be delivered to every fiduciary or third party assisting with or facilitating investment of the funds of Board of Trustees.

608.2 Delegation of Authority.

608.2.1 In accordance with Code of Iowa, Section 12B.10(1), the responsibility for conducting investment transactions resides with the Treasurer. Only the Treasurer and those authorized by resolution may invest public funds and a copy of any empowering resolution shall be attached to this Investment Policy. All contracts or agreements with outside persons investing public funds, advising on the investment of public funds, directing the deposit or investment of public funds, or acting in a fiduciary capacity for Board of Trustees shall require the outside person to notify in writing Board of Trustees within thirty (30) days of receipt of all

communication from the Auditor of the outside person or any regulatory authority of the existence of a material weakness in internal control structure of the outside person or regulatory orders or sanctions regarding the type of services being provided to Board of Trustees by the outside person.

608.2.2 The records of investment transactions made by or on behalf of Board of Trustees are public records and are the property of Board of Trustees whether in the custody of Board of Trustees or in the custody of a fiduciary or other third party.

608.2.3 The Treasurer shall establish a written system of internal controls and investment practices. The controls shall be designed to prevent losses of public funds, to document those officers and employees of Board of Trustees responsible for elements of the investment process and to address the capability of investment management. The controls shall provide for receipt and review of the audited financial statement and related report on internal control structure of all outside persons performing any of the following for this public body:

608.2.3.1 Investing public funds.

608.2.3.2 Advising on the investment of public funds.

608.2.3.3 Directing the deposit or investment of public funds.

608.2.3.4 Acting in a fiduciary capacity for this public body.

608.2.4 A bank, savings and loan association or credit union providing only depository services shall not be required to provide an audited financial statement and related report on internal control structure.

608.3 Objectives of Investment Policy. The primary objectives, in order of priority, of all investment activities involving the financial assets of Board of Trustees, shall be the following:

608.3.1 Safety: Safety and preservation of principal in the overall portfolio is the foremost investment objective.

608.3.2 Liquidity: Maintaining the necessary liquidity to match expected liabilities is the second investment objective.

608.3.3 Return: Obtaining a reasonable return is the third investment objective.

608.4 Prudence. The Treasurer, when investing or depositing public funds, shall exercise the care, skill, prudence and diligence under the circumstances then prevailing that a person acting in a like capacity and familiar with such matters would use to attain the 608.3 investment objectives. This standard requires that when making investment decisions, the Director of Finance/Treasurer shall consider the role that the investment or deposit plays within the portfolio of assets of Board of Trustees and the investment objectives stated in 608.3.

608.5 Instruments Eligible for Investment. Funds of Board of Trustees may be invested in the following:

608.5.1 Interest-bearing savings accounts, interest-bearing money market accounts, and interest-bearing checking accounts at any bank in the State of Iowa. Each bank must collateralize public funds in excess of the amount federally insured in accordance with Code of Iowa, Chapter 12C. Each financial institution shall be properly declared as a depository by the Board of Trustees. Deposits in any financial institution shall not exceed the amount approved by the Board of Trustees.

608.5.2 Obligations of the United States government, its agencies and instrumentalities.

608.5.3 Certificates of deposit and other evidences of deposit at federally insured Iowa depository institutions approved and secured pursuant to Code of Iowa, Chapter 12C.

608.5.4 Repurchase agreements, provided that the underlying collateral consists of obligations of the United States government, its agencies and instrumentalities and Board of Trustees takes delivery of collateral either directly or through an authorized custodian.

608.5.5 All instruments eligible for investment are further qualified by all other provisions of this Investment Policy, including 608.7 Investment Maturity Limitations and 608.8 Diversification Requirements.

608.6 Prohibited Investments and Investment Practices.

608.6.1 Funds of Board of Trustees shall not be invested in the following:

608.6.1.1 Reverse repurchase agreements.

608.6.1.2 Futures and options contracts.

- 608.6.2 Funds of Board of Trustees shall not be invested pursuant to the following investment practices:
- 608.6.2.1 Trading of securities for speculation of the realization of short-term trading gains.
 - 608.6.2.2 Pursuant to a contract providing for the compensation of an agent or fiduciary based upon the performance of the invested assets.
 - 608.6.2.3 If a fiduciary or other third party with custody of public investment transaction records of Board of Trustees fails to produce requested records when requested by this public body within a reasonable time, Board of Trustees shall make no new investments with or through the fiduciary or third party and shall not renew maturing investments with or through the fiduciary or third party.

608.7 Investment Maturity Limitations.

- 608.7.1 Operating funds must be identified and distinguished from all other funds available for investment. Operating funds are defined as those funds, which are reasonably expected to be expended during a current budget year or within fifteen (15) months of receipt.
- 608.7.2 All investments authorized in 608.5 are further subject to the following investment maturity limitations:
- 608.7.2.1 Operating funds may only be invested in instruments authorized in 608.5 of this Investment Policy that mature within three hundred ninety-seven (397) days.
 - 608.7.2.2 The Director of Finance/Treasurer may invest funds of Board of Trustees that are not identified as operating funds in investments with maturities longer than three hundred ninety-seven (397) days, but less than one thousand seven hundred twenty-six (1,726) days. However, all investments of Board of Trustees shall have maturities that are consistent with the needs and use of Board of Trustees.

608.8 Diversification. Investments of Board of Trustees are subject to the following diversification requirements should Board of Trustees hereafter determine to invest in them:

608.8.1 Where possible, it is the policy of Board of Trustees to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. In establishing specific diversification strategies, the following general policies and constraints shall apply:

608.8.1.1 Portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector. Maturities shall be selected which provide stability of income and reasonable liquidity.

608.8.1.2 Liquidity practices to ensure that the next disbursement date and payroll date are covered through maturity investments, marketable U.S. Treasury bills or cash on hand shall be used at all times.

608.8.1.3 Risks of market price volatility shall be controlled through maturity diversification so that aggregate price losses on instruments with maturities approaching one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.

608.9 Safekeeping and Custody.

608.9.1 All invested assets of Board of Trustees involving the use of a public funds custodial agreement, as defined in Code of Iowa, Section 12B.10, shall comply with all rules adopted pursuant to Section 12B.10C. All custodial agreements shall be in writing and shall contain a provision that all custodial services be provided in accordance with the laws of the State of Iowa.

608.9.2 All invested assets of Board of Trustees eligible for physical delivery shall be secured by having them held at a third-party custodian. All purchased investments shall be held pursuant to a written third-party custodial agreement requiring delivery versus payment and compliance with all rules set out elsewhere in 608.9 of this Investment Policy.

608.10 Ethics and Conflict of Interest. The Director of Finance/Treasurer and all officers and employees of Board of Trustees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

608.11 Reporting. The Director of Finance/Treasurer shall submit monthly an investment report that summarizes recent market conditions and investment strategies employed since the last investment report. The investment report shall set out the current portfolio in terms of maturity, rates of return and other features and summarize all investment transactions that have occurred during the reporting period and compare the investment results with the budgetary expectations.

608.12 Investment Policy Evaluation.

608.12.1 At the regular January Board meeting, the Board of Trustees shall evaluate existing guidelines for the investment of funds. The Board of Trustees shall determine the types of securities to be invested in, and the maturities expected. Any changes to the fund investment guidelines shall be made by Resolution, which shall be entered in the official minutes of the Board.

608.13 Glossary of Terms.

- 608.13.1 Agency: securities issued by government-sponsored corporations such as Federal Home Loan Banks or Federal Land Banks. Agency securities are exempt from Securities and Exchange Commission (SEC) registration requirements.
- 608.13.2 Agent: individual authorized by another person, called the principal, to act in the latter's behalf in transactions involving a third party.
- 608.13.3 Banker's Acceptance: time draft drawn on and accepted by a bank, the customary means of effecting payment for merchandise sold in import-export transactions and a source of financing used extensively in international trade.
- 608.13.4 Commercial Paper: short-term obligations with maturities ranging from 2 to 270 days issued by banks, corporations, and other borrowers to investors with temporarily idle cash. Such instruments are unsecured and usually discounted, although some are interest bearing.
- 608.13.5 Delivery Versus Payment (DVP): securities industry procedure, common with institutional accounts, whereby delivery of securities sold is made to the buying customer's bank in exchange for payment, usually in the form of cash.
- 608.13.6 Fiduciary: person, company or association holding assets in trust of a beneficiary.

- 608.13.7 Futures Contract: agreement to buy or sell a specific amount of a commodity or financial instrument at a particular price on a stipulated future date.
- 608.13.8 Open-End Management Company: investment company that sells mutual funds to the public. The term arises from the fact that the firm continually creates new shares on demand. Mutual fund shareholders buy the shares at net asset value and can redeem them at any time at the prevailing market price, which may be higher or lower than the price at which the investor bought.
- 608.13.9 Option: right to buy or sell property that is granted in exchange for an agreed-upon sum. If the right is not exercised after a specific period, the option expires and the option buyer forfeits the money.
- 608.13.10 Portfolio: combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset by an individual or institutional investor.
- 608.13.11 Repurchase Agreement: agreement between a seller and a buyer, usually of U.S. Government securities, whereby the seller agrees to repurchase the securities at an agreed-upon price, and, usually, at a stated time.
- 608.13.12 Safekeeping: storage and protection of a customer's financial assets, valuables, or documents, provided as a service by an institution serving as agent and, where control is delegated by the customer, also as custodian.
- 608.13.13 Speculation: assumption of risk in anticipation of gain but recognizing a higher than average possibility of loss.

DES MOINES WATER WORKS

Board of Water Works Trustees



2201 George Flagg Parkway | Des Moines, Iowa 50321-1190 | (515) 283-8700 | www.dmww.com

MEMORANDUM

DATE: January 15, 2021

TO: Ted Corrigan, CEO and General Manager

FROM: Peggy Freese, CFO

SUBJECT: Depositories for Des Moines Water Works Funds

Chapter 12C, Code of Iowa, requires a board resolution listing approved depositories and maximum amounts approved each year. The attached list is staff's recommendation of financial institutions and amounts for 2021.

At one time, the State of Iowa maintained a listing of banks approved to accept deposits of public funds. They discontinued this practice a number of years ago and now any bank may accept public funds as long as they collateralize them according to law. Our list of approved depositories includes institutions in addition to Bankers Trust which is our primary bank. This would allow us to change or expand our banking relationship should the need arise. One of our requirements for a bank is that they have a downtown or south side branch easily accessible from DMWW. The banks on the approved depository list are the metro area banks who meet this criterion.

Investments of reserve funds that are invested in securities are not covered by this requirement as they are not direct obligations of the bank. Government backed securities are book entry at the Federal Reserve and are not literally held at the bank. We do, however, need to allow for the maturing of investments from time to time, since proceeds are deposited in our bank accounts by the bank's investment department and reside there until further investment orders are placed.

Attachment

Chapter 12C, Code of Iowa - Deposit of Public Funds

12C.2 Approval — requirements.

The approval of a financial institution as a depository of public funds for a public body shall be by written resolution or order that shall be entered of record in the minutes of the approving board, and that shall distinctly name each depository approved, and specify the maximum amount that may be kept on deposit in each depository.

Recommended depositories and amounts for 2021:

Bankers Trust Company	\$20,000,000
Bank of America	20,000,000
Bank of the West	20,000,000
Iowa State Bank	20,000,000
US Bank	20,000,000
Wells Fargo Bank Iowa	20,000,000
West Bank	20,000,000



DES MOINES WATER WORKS
Board of Water Works Trustees

Agenda Item No. III-A
Meeting Date: January 26, 2021
Chairperson's Signature ☐ Yes ☒ No

AGENDA ITEM FORM

SUBJECT: Receive and File Cost of Service Report

SUMMARY:

In 2017, DMWW engaged Raftelis to review our cost of service study to ensure the principles and methodologies used are consistent with generally accepted industry standards. At that time, Raftelis recommended several changes, including changing from a historical cost model to a forward-looking revenue requirements model, and the utility adopted that recommendation. Last fall, staff input the 2021 budget into the Raftelis cost of service model, and the results of that analysis informed 2021 rate setting discussions prior to rates being approved in October 2020.

Staff has now prepared an executive summary report of those cost of service results using the 2021 budget numbers. Figure 13, in particular, summarizes the results previously communicated during budget and rate discussions. The Raftelis model assigns the costs attributable to peaking based on the demands each customer places on the system and calculates costs for wholesale customers as a class, as well as by individual wholesale customer.

Staff will distribute the cost of service report to wholesale and Total Service customers once accepted by the Board of Trustees.

FISCAL IMPACT:



None.

RECOMMENDED ACTION:

Accept and file the Cost of Service Study.

BOARD REQUIRED ACTION:

Motion to accept and file the Cost of Service Study.

 Amy Kahler (date) 1/21/21 Director of Customer Service and Marketing	 Ted Corrigan, P.E. (date) 1/24/21 CEO and General Manager
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Attachments: 2021 Water Cost of Service Study

Des Moines Water Works

2021 Water Cost of Service Study

Draft Report / January 19, 2021

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INTRODUCTION

In 2018, Des Moines Water Works (DMWW) engaged Raftelis to conduct a Water Cost of Service Study (Study) to develop a sustainable and solvent financial plan for the water utility and to establish water costs based on allocation methodologies that follow generally accepted industry standards. The approach recommended by Raftelis, and adopted by DMWW in this Study, is a forwarding-looking approach. In the water industry, there are two generally accepted approaches to projecting revenue requirements: 1) cash-needs approach and 2) utility approach. This study identifies revenue requirements using the utility approach and the 2021 budget as a “test year” (i.e., the annualized period for which costs are analyzed and rates established). Using the current budget as a test year is a break from DMWW’s prior approach in which costs were studied on a retroactive basis in order to estimate costs in the rate year. This study allocates costs based on a widely adopted approach described in the American Water Works Association (AWWA) publication, “Manual of Water Supply Practices M1, Principles of Water Rates, Fees and Charges” (AWWA M1).

Cost of Service

REVENUE REQUIREMENTS

Water utilities must receive sufficient total revenue to properly operate, maintain, develop, improve, and replace the water system.

This study uses the FY 2021 budget prepared by DMWW as a test year. Figure 1 presents a summary of DMWW's FY 2021 budget. The adopted rates, set by DMWW to recover all forecasted expenses, will recover approximately \$68,600,000 from ratepaying customers.

Rate revenues include all rate revenue from retail, full service, and wholesale customers, including availability fees and capital improvement fees. Other Revenues include contracted billing fees, late fees, connection fees, other sales and services, and interest income. Capital expenses include projects and debt service funded by DMWW directly. Projects funded by other entities and political subdivision's debt service obligations are not included in this table.

Figure 1: FY 2021 Budget

	<u>2021 Budget</u>
<u>Revenues</u>	
Rate Revenues	\$ 68,598,478
Other Revenues	6,158,969
Total: Revenues	\$ 74,757,447
<u>Expenses</u>	
O&M Expense	\$ 50,710,976
DMWW Debt Service	1,919,629
DMWW Capital	21,580,744
Total: Expenses	\$ 74,211,349
Surplus/(Deficit)	\$ 546,099

This study follows the *utility basis* to measuring revenue requirements. Under the utility approach, the components of revenue requirements include:

1. *Operations & Maintenance (O&M) expense*

O&M expenses include costs necessary to operate and maintain water-related facilities, including treatment plants, pumping, storage, transmission and distribution mains, customer service, and general and administrative aspects of the utility

2. *Depreciation expense*

Depreciation is the loss in value of capital assets as a result of normal wear and aging. This component allows for cost recovery of capital investments over the useful life of the assets.

3. *Return on rate base*

The term "rate base" is the net book value or undepreciated value of capital assets. A return on the rate base provides a fair rate of return to equity owners providing capital.

The three component revenue requirements are allocated proportionately to each customer class so the proper level of revenues are recovered from each customer class based on the operational demands that class places on the water system. Operational demands placed on the system are generally measured by average and maximum day (also called peak) requirements, and customer related costs associated with meters, services, and accounts.

The fundamental goal of the cost of service process is to determine DMWW's cost to serve each customer class. This study allocates costs on a widely accepted and practiced method, known as the Base-Extra Capacity method.

The Base-Extra Capacity method generally assigns costs to three primary cost components:

1. Base costs – O&M and capital costs incurred to meet average day demand
2. Extra capacity costs – O&M and capital costs to meet maximum day and hour demand
3. Customer costs – costs attributed to serving customers, regardless of amount of water used (e.g., meter reading, billing, collections, etc.)

Cost of service allocations are performed using the following steps:

Table A - Summary of Cost of Service Steps

Step	Title	Explanation	Figure
1	Determine Units of Service	Units of service are summarized (i.e., base day, max day, max hour, customer, pipe). Maximum day and maximum hour peaking factors are identified or estimates are calculated.	Figure 2
2	Allocate Costs to Functions	Operating and capital budgets are allocated to cost functions.	Figures 3, 4
3	Allocate Functionalized Costs to Cost Components	Functionalized costs, such as number of accounts, equivalent meters, water consumption, peaking factors, and inch-miles of water main, are further allocated to cost components.	Figures 5, 6, 7, 8
4	Determine Unit Cost of Service	Cost by unit of service is calculated.	Figure 9
5	Determine Revenue Requirements by Customer Class	Costs are allocated to customers based on the unit rate and each customer's units of service. The resulting cost of service is then compared to the amounts actually paid by each customer using published rates.	Figures 10, 11, 12, 13

STEP 1: DETERMINE UNITS OF SERVICE

The first step in the cost allocation process is to determine the units of service, which are the basis for the allocation of the total revenue requirement to each customer class. Units of service are shown in **Figure 2** and include:

Table B - Summary of Units of Service - General

Units of Service	Costs	Examples of Costs Allocated
Base Units	Average day	Power, chemicals
Maximum Day Units	Peak day	Treatment and transmission to serve distribution mains and storage on a peak day.
Maximum Hour Units	Peak Hour	Distribution mains and storage for peak hour
Customer Units	Equivalent meters and monthly bills	Billing, meter reading, customer service, leak detection and field service.
Pipe Units	Inch-mile of distribution mains	Operation and maintenance of distribution system

Base Units

Base units are the total annual consumption for each customer class. These units are used to allocate costs that vary directly with the amount of water produced, such as chemicals and power. This represents the cost of providing water at an average day demand.

Maximum Day Extra Capacity Units

Maximum Day Extra Capacity units represent the water demand in excess of that which is used on an average day. The rate of use on maximum day requires larger pumps, pipes, and other infrastructure to meet the peak demand, in comparison to an equal volume of water taken at a lower but steady rate. Maximum day facilities also sit idle during periods of time when demand is less than maximum day, making them less efficient and more costly to operate per unit relative to assets consistently used to meet average day demand. These maximum day units are used to allocate costs related to operation of the treatment plant at levels above average day demand as well as costs related to transmission mains which supply water to distribution mains and storage.

In general, the guidelines for determining maximum day peaking factors outlined in AWWA M1 were the basis for this component of the analysis.

Maximum Day Extra Capacity Calculation

The Wholesale Master Water Service Agreement requires that peak day demand is identified on an annual basis for each individual Purchased Capacity customer; therefore, each Purchased capacity customer's actual maximum day is used in the cost of service calculation.

Actual maximum day for all other customer classes cannot be easily identified; therefore, the maximum day demand for all other customer classes is estimated as shown below:

- » System Max Day to Average Day in Max Month = $\frac{\text{System Max Day Demand}}{\text{System Max Month} / 30}$
- » Class Maximum Day = $\frac{\text{Class Max Month} / 30}{(\text{Class Annual Total} / 365) * (\text{System Max Day} / \text{Average Day in Max Month})}$

The weighting occurs because the exact maximum day by customer class is not known but is assumed to have the same relationship to the average day in the maximum month as the entire system.

Maximum Hour Extra Capacity Units

Maximum Hour Total Capacity units is the consumption forecast in the highest hour of FY 2021, extrapolated over a day assuming all 24 hours are at that peak hourly demand; and, maximum hour extra capacity units is the maximum hour total capacity less the maximum day demand. These units are used to allocate costs related to distribution mains and storage related to peak hour consumption.

In general, the guidelines for determining maximum hour peaking factors outlined in AWWA M1 were the basis for this component of the analysis.

Maximum Hour

As the exact customer class maximum hour cannot be identified, a similar weighting process occurs to determine the customer class maximum hour demands:

- » System Max Hour to Average Day in Max Month = $\frac{\text{System Max Hour}}{\text{System Max Month} / 30}$
- » Class Maximum Hour = Class Max Day * (System Max Hour / Average Day in Max Month)

Customer Units

Customer Units are equivalent meters and customer monthly bills. The number of bills for each customer class is ascertained through an examination of the billing data. The equivalent meters are the number of customer meters at each meter size weighted by the potential water demand each meter can place on the water system. For DMWW, a 5/8" meter is the current standard for residential

services. The number of equivalent meters for sizes larger than 5/8" is determined by multiplying the nominal number of meters (the number at each connection size) by a meter factor, which represents the ratio of the flow rate of the larger meter, to that of the standard 5/8" meter. Once the number of equivalent meters larger than 5/8" is determined, this total is added to the number of 5/8" meters to arrive at the total number of equivalent meters. Customer units are used to allocate the costs of providing services associated with individual accounts, such as billing, meter reading, customer service, leak detection and field service.

Pipe Units

Pipe units are measured in "inch-miles" of distribution mains within each service area, based on an inventory of lengths of pipes and their diameters (*diameter of pipe in inches x length of pipe in miles = inch-mile of pipe*) as of the end of FY 2018 (the latest data available). These units are used to allocate operations and maintenance expenses for water distribution functions.

Results

These calculations are illustrated in **Figure 2** for all customer classes.

Using the Inside City Des Moines customer class as an example, approximately 6.4 million kgal (or 6.4 billion gallons) are projected to be used by customers annually in FY 2021. This equates to approximately 17,500 kgal per day on an average day (annual forecast / 365 days). Based on the calculation described above, residential customers, on their highest consumption day of the year, are projected to use 1.66 times their average day consumption, or around 29,000 kgal. The difference between the maximum day and average day, around 11,500 kgal, represents that class' Maximum Day Extra Capacity units.

A similar calculation is used to determine the Maximum Hour Extra Capacity Units, which are simply the consumption forecast in the highest hour of FY 2021, less the maximum day demand (73,725 kgal – 29,041 kgal = 44,683 kgal max hour extra capacity units)

Data from DMWW's billing system shows 838,572 customer bills were generated for Inside City Des Moines customers, and this same class of customers has 108,271 equivalent 5/8" meters.

Inside City Des Moines has over 5,900 inch-miles of distribution pipe to allocate pipe units costs.

Figure 2: Units of Service

	Base		Max Day			Max Hour			Customer			Pipe
	Water Sales	Average Day	Peaking Factor	Total Capacity	Extra Capacity	Peaking Factor	Total Capacity	Extra Capacity	Count	Bills	Meters	
	kgal	kgal		kgal	kgal		kgal	kgal			5/8" Eq.	
Retail												
Des Moines Inside City	6,403,046	17,543	1.66	29,041	11,499	4.20	73,725	44,683	69,881	838,572	108,271	5,902.03
Des Moines Outside City	200,917	550	2.93	1,611	1,061	7.42	4,083	2,472	548	6,576	898	185
Subtotal: Retail	6,603,964	18,093	1.69	30,653	12,560	4.30	77,808	47,155	70,429	845,148	109,169	6,087
Full Service												
Polk County	618,708	1,695	1.82	3,079	1,384	4.61	7,813	4,733	4,462	53,544	7,064	2,192
Runnells	9,202	25	1.60	40	15	4.09	103	63	212	2,544	229	23
Cumming	10,741	29	2.76	81	52	7.03	207	126	151	1,812	176	40
Alleman	9,202	25	1.76	44	19	4.47	113	68	178	2,136	321	52
Pleasant Hill Inside City	249,335	683	1.85	1,264	581	4.66	3,182	1,919	4,787	57,444	6,774	372
Pleasant Hill Outside City	1,453	4	2.10	8	4	5.34	21	13	5	60	5	2
PCRWD #1	23,006	63	1.74	110	47	4.41	278	168	472	5,664	492	48
Berwick Water	33,745	92	1.53	141	49	3.86	357	216	227	2,724	317	104
Windsor Heights	115,338	316	1.58	500	184	4.03	1,274	774	2,199	26,388	2,522	151
Subtotal: Full Service	1,070,729	2,934	1.80	5,268	2,334	4.55	13,347	8,080	12,693	152,316	17,900	2,984
Subtotal: Full Service and Retail	7,674,693	21,027	1.71	35,921	14,894	4.34	91,155	55,235	83,122	997,464	127,069	9,071
Wholesale												
Altoona	13,422	37	9.93	365	328	24.85	914	549	1	24		
Ankeny	1,888,247	5,173	1.54	7,965	2,792	4.23	21,887	13,922	1	72		
Bondurant	171,195	469	1.45	678	209	3.86	1,810	1,132	1	36		
Clive	642,330	1,760	2.13	3,749	1,989	5.24	9,220	5,471	1	108		
Norwalk	282,942	775	1.99	1,540	765	4.93	3,826	2,285	1	36		
Waukee	547,235	1,499	2.17	3,248	1,749	5.24	7,856	4,608	1	24		
Urbandale	1,518,611	4,161	2.27	9,434	5,273	5.42	22,531	13,097	1	60		
Warren Rural Water	584,918	1,603	1.54	2,473	870	4.00	6,418	3,945	1	36		
West Des Moines	861,454	2,360	2.98	7,022	4,662	6.63	15,651	8,629	1	108		
Xenia	666,324	1,826	1.46	2,661	836	4.07	7,437	4,775	1	48		
Polk City	99,272	272	2.67	725	453	5.59	1,519	794	1	12		
West Des Moines - Storage	11,367	31	4.44	138	107	11.44	356	218	1	24		
Johnston	729,483	1,999	2.32	4,635	2,637	5.44	10,880	6,244	1	36		
Water Development Co	13,739	38	1.72	65	27	4.37	165	100	1	24		
Subtotal: Wholesale	8,030,539	22,001	2.03	44,699	22,698	5.02	110,469	65,770	14	648	-	-
Subtotal: Outside City	9,302,186	25,485	2.02	51,578	26,093	5.02	127,900	76,321	13,255	159,540	18,798	3,169
Total: Utility	15,705,232	43,028	1.87	80,620	37,592	4.69	201,625	121,005	83,136	998,112	127,069	9,071

STEP 2: ALLOCATE COSTS TO FUNCTIONS

The second step in determining revenue requirements by customer class involves the allocation of water utility operating and maintenance (O&M) costs and capital costs to standard functional categories. These categories relate to various functions performed by the water utility system and staff in order to provide service to DMWW customers. For this study, the standard functions are:

- | | | |
|--------------------|-------------------|--------------------|
| » Source of Supply | » Treatment | |
| » Transmission | » Storage/Pumping | » Customer Service |
| » Distribution | » Meters | » Administration |

Allocation of O&M to Functional Categories

Figure 3 summarizes the functional allocation of the water utility's FY 2021 O&M revenue requirements. These allocations relate to the proportion of expenditures in each cost center (i.e., utility department) that is associated with performing each function. The Customer Service department budget, for example, is associated with the cost of billing DMWW's customers, conducting public relations and customer outreach, and maintaining meters. Consequently, all O&M expenses for this cost center, or Customer Service department, have been allocated to the customer service and meters functions based on DMWW's detailed project costing budget data. All allocations are based on a review of activity-based departmental budgets and an understanding of utility processes, and are generally consistent with typical and customary allocations seen in the water industry.

Most of DMWW's cost centers (i.e., departments) are fully allocated to a standard function. Exceptions include Engineering expenses, which are allocated in the same proportion as assets in service, and Water Production Administration, which is allocated in proportion to Source, Treatment, and Storage, and Pumping activities. Transmission and Distribution costs are allocated on the basis of inch-miles of transmission and distribution mains DMWW maintains for all customers.

Revenues other than rate revenue are subtracted from the O&M value to provide a net rate revenue requirement. The totals for each function flow through to the following step, Step 3, which is allocation to cost components.

Allocation of Capital Asset Costs to Functional Categories

Figure 4 summarizes the functional allocation of the water utility's FY 2021 capital revenue requirement. Capital costs, including depreciation expense and return on rate base, are allocated using fixed asset records as of the end of FY 2019. Net book value (also called Original Cost Less Depreciation, or OCLD) and annual depreciation for each category of assets are allocated to the same standard functions used to allocate O&M. In addition to shared assets in **Figure 4**, DMWW also maintains assets that directly serve Full Service customers, such as meters and pipelines. These assets are allocated directly to the customer they serve. Most asset categories are fully allocable to standard functions; however, Pipelines in Des Moines are allocated proportionately between Transmission and Distribution based on inch-miles of pipe in Des Moines.

Figure 3: O&M Functionalization

<u>Cost Center</u>	<u>O&M</u>	<u>Source of Supply</u>	<u>Treatment</u>	<u>Transmission</u>	<u>Distribution</u>	<u>Storage/ Pumping</u>	<u>Meters</u>	<u>Customer Service</u>	<u>Admin</u>
Finance	\$ 4,727,557								100.0%
Customer Service	4,307,784						34.0%	66.0%	
IT	2,637,841								100.0%
HR	837,909								100.0%
Engineering	2,061,270	9.3%	20.9%	28.9%	30.3%	7.3%	1.6%		1.7%
Transmission and Distribution	11,650,860			30.3%	69.7%				
OCEO	1,230,307								100.0%
Treatment	12,448,821		100.0%						
Source	749,227	100.0%							
Storage/Pumping	3,061,020					100.0%			
Production Administration	6,998,380	4.6%	76.6%			18.8%			
Subtotal: O&M Expenses	\$ 50,710,976	\$ 1,263,061	\$ 18,237,465	\$ 4,127,080	\$ 8,742,982	\$ 4,529,498	\$ 1,498,169	\$ 2,843,138	\$ 9,469,583

Figure 4: Capital Asset Functionalization

<u>Category</u>	<u>Rate Base</u>	<u>Annual Depreciation</u>	<u>Source of Supply</u>	<u>Treatment</u>	<u>Transmission</u>	<u>Distribution</u>	<u>Storage/ Pumping</u>	<u>Admin</u>
Structures and Machinery								
Airport Booster Station	\$ 662,381	\$ 28,799					100.00%	
Alleman Tower	5,236	159					100.00%	
Allen Hazen Booster Station	295,771	19,107					100.00%	
Allen Hazen Tower	193,137	10,103					100.00%	
ASR Wells	4,371,077	68,020					100.00%	
Fiber Optics	-	-		100.00%				
Fleur Laboratory	724,266	30,104		100.00%				
FWTP	18,986,806	844,364		100.00%				
General Office Facility	2,799,955	83,002						100.00%
JES Booster Station	1,207,527	18,023					100.00%	
Jes Tower	4,076,434	79,012					100.00%	
LP Moon Storage Tank	3,999,403	86,833					100.00%	
MWTP	16,554,879	474,322		100.00%				
Nollen Standpipe	1,144,307	27,001					100.00%	
Remote Pumping/Storage	206,578	7,376					100.00%	
Roosevelt Booster Station	26,131	3,294					100.00%	
Service Complex	1,686,129	96,234						100.00%
SW Storage	129,969	2,499					100.00%	
SWTP	17,401,771	871,531		100.00%				
SWTP Pumping Station	609,788	21,778					100.00%	
Tenny Standpipe	63,359	3,017					100.00%	
Wilchinski Standpipe	161,320	5,804					100.00%	
Water Supply System	23,864,480	536,903	100.00%					
Pipelines - Feeder	42,094,635	511,386			100.00%			
Pipelines - DM	81,832,379	1,701,498			39.25%	60.75%		
Total: Rate Base	\$ 223,097,720		\$ 23,864,480	\$ 53,667,722	\$ 74,217,109	\$ 49,709,904	\$ 17,152,419	\$ 4,486,085
Total: Depreciation		5,530,169	536,903	2,220,322	1,179,292	1,033,592	380,825	179,236

STEP 3: ALLOCATE FUNCTIONALIZED COSTS TO COST COMPONENTS

This study utilizes the “Base Extra Capacity” method described in the AWWA M1. The Base Extra Capacity method involves allocating each of the functionalized O&M costs to cost components in accordance with the operational need that function was designed to satisfy. This process ensures that customers are only allocated costs associated with services they receive. For example, wholesale customers do not share in the cost of maintaining Windsor Heights distribution system; those costs are the responsibility of Windsor Heights customers.

Costs are segmented to customers based on the service or benefit received by customers. Customer segments include:

- Common to All - all customer classes benefit from the service
- Full Service & Retail - only Full Service customers under contract and Des Moines customers benefit from the service
- Retail Only - only Des Moines retail customers benefit from the service

Within these segments, costs are further generalized as pertaining to either the volumetric or customer service demands of water utility customers. The volumetric cost components are:

- Base demand (also known as average day demand), which relates to the water demand of DMWW customers on an average day;
- Maximum day extra capacity, or the level of demand in excess of base demand, demonstrated by DMWW customers on the highest consumption day of the year; and
- Maximum hour extra capacity, the theoretical demand, in excess of maximum day demand, demonstrated by DMWW customers in the highest consumption hour.

Treatment, transmission, and storage costs are allocated between the base and maximum day cost components based on historical system peaking data. Over the five-year period, maximum day production is an average of 1.68 times higher than on an average day. Since 100% of average day costs are incurred on the maximum day, 1/1.68, or about 60%, of those costs are allocated to base and the remaining 40% of costs are allocated to maximum day.

Figure 5: System Peaking (MGD)

	<u>Annual Production</u>	<u>Average Day</u>	<u>Max Month Production</u>	<u>Max Day Production</u>	<u>Max Day / Annual Avg Day</u>
2015	15,758.56	43.17	1,583.31	68.53	1.59
2016	17,042.45	46.69	1,968.53	78.64	1.68
2017	18,069.94	49.51	2,202.20	81.73	1.65
2018	17,535.53	48.04	2,042.51	85.43	1.78
2019	17,350.15	47.53	2,025.65	81.04	1.70
Average:	17,151	46.99	1,964	79.07	1.68

The customer service-related cost components are 1) customer bills and 2) customer meters. These components relate to—at a minimum—the cost of processing customer bills and maintaining customer

meters. Additionally, customer meter costs may also relate to the fixed investment in water utility assets associated with providing water service which is available (virtually at all times) regardless of how much water is consumed by DMWW customers (i.e. “readiness to serve”).

Distribution costs are allocated based on inch-miles of main within each service area.

Administration costs are allocated based on the results of the pro rata allocations of all the other functions to components.

Figure 6 shows the allocation of functionalized “Total: Net O&M” illustrated in Table 3 to more detailed cost components.

Figure 7 shows the allocation of functionalized capital asset costs (rate base) illustrated in Figure 4, as well as construction work in progress expected to come into service in FY 2021, to cost components.

Figure 8 shows the allocation of functionalized capital asset costs (annual depreciation) illustrated in Figure 4, as well as construction work in progress expected to come into service in FY 2021, to cost components.

It should be noted that because Figures 7 & 8 include assets currently held, as well as construction work in progress expected to come into service in FY 2020 and 2021, totals in these Figures are slightly higher than and do not tie to functionalized totals in Figure 4.

Figure 6: Allocation of O&M to Cost Components

Function	O&M	Common to All				Full Service and Retail						Retail Only		
		Base	Max Day	Max Hour	Bills	Base	Max Day	Max Hour	Meters	Inch Miles		Base	Max Day	Max Hour
Source of Supply	\$ 1,263,061	\$ 1,263,061	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Treatment	18,237,465	10,897,475	7,339,990	-	-	-	-	-	-	-		-	-	-
Transmission	4,127,080	2,466,064	1,661,016	-	-	-	-	-	-	-		-	-	-
Distribution	8,742,982	-	-	-	-	-	-	-	-	8,742,982		-	-	-
Storage / Pumping	4,529,498	2,706,522	1,822,977	-	-	-	-	-	-	-		-	-	-
Meters	1,498,169	-	-	-	-	-	-	-	1,498,169	-		-	-	-
Customer Service	2,843,138	-	-	-	2,843,138	-	-	-	-	-		-	-	-
Administration	3,856,713	1,620,917	1,012,211	-	265,878	-	-	-	140,102	817,605		-	-	-
Total:	\$ 45,098,106	\$ 18,954,039	\$11,836,194	\$ -	\$ 3,109,015	\$ -	\$ -	\$ -	\$ 1,638,271	\$ 9,560,587		\$ -	\$ -	\$ -

Figure 7: Allocation of Rate Base to Cost Components *

Function	Rate Base	Common to All				Retail Only		
		Base	Max Day	Max Hour	Bills	Base	Max Day	Max Hour
Source of Supply	\$ 35,524,087	\$ 35,524,087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treatment	105,805,084	63,221,958	42,583,126	-	-	-	-	-
Transmission	74,217,109	44,347,122	29,869,987	-	-	-	-	-
Distribution	80,714,223	-	-	-	-	24,830,672	16,724,690	39,158,861
Storage / Pumping	23,523,289	14,055,926	9,467,364	-	-	-	-	-
Meters	-	-	-	-	-	-	-	-
Customer Service	983,597	-	-	-	983,597	-	-	-
Administration	4,486,085	2,197,805	1,145,697	-	13,756	347,269	233,903	547,655
Total:	\$ 325,253,474	\$ 159,346,898	\$83,066,174	\$ -	\$ 997,353	\$25,177,941	\$16,958,593	\$39,706,516

Figure 8: Allocation of Depreciation to Cost Components *

Function	Depreciation	Common to All				Retail Only		
		Base	Max Day	Max Hour	Bills	Base	Max Day	Max Hour
Source of Supply	\$ 687,922	\$ 687,922	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treatment	2,845,421	1,700,231	1,145,190	-	-	-	-	-
Transmission	1,179,292	704,665	474,627	-	-	-	-	-
Distribution	1,386,297	-	-	-	-	426,476	287,253	672,568
Storage / Pumping	535,807	320,162	215,645	-	-	-	-	-
Meters	-	-	-	-	-	-	-	-
Customer Service	163,933	-	-	-	163,933	-	-	-
Administration	179,236	89,978	48,389	-	4,322	11,243	7,573	17,731
Total:	\$ 6,977,908	\$ 3,502,958	\$ 1,883,851	\$ -	\$ 168,255	\$ 437,720	\$ 294,826	\$ 690,299

*Cost associated with Assets directly assigned to a Full Service or Retail customer are shown under the "Direct" column in Figures 14 thru 24.

STEP 4: DETERMINE UNIT COST OF SERVICE

Once each component of the FY 2021 revenue requirement (i.e. O&M, rate base, depreciation) has been allocated to each of the cost components (i.e. base, max day etc.), the unit cost of service can be determined. The unit cost of service is the basis by which costs are allocated to each customer class. **Figure 9** shows the calculated unit costs.

The total system units are the sum of all units from **Figure 2**.

For distributing O&M costs, *base units represent all retail and wholesale customer use on an annual basis, or Total Water Sales*. Max day units represent the daily use in excess of that which is used on an average day for all customer classes, and similarly, max hour use is that which is used in excess of max day consumption. *Because max day and max hour represent excess usage, O&M costs for these components are allocated over extra capacity units.*

Depreciation and rate base costs for max day are distributed over total capacity units. Max day total capacity units most closely represent customers' impact on the capacity of the capital assets maintained for their use.

Depreciation and rate base costs for max hour are distributed over extra capacity units. Max hour units represent demand in a day if all 24 hours had usage rates equal to peak hour.

Base, max day and max hour units are summarized in the table below for each revenue requirement:

Revenue Requirement	Base Units	Max Day Units	Max Hour Units
O&M	Total Water Sales	Extra Capacity	Extra Capacity
Depreciation	Total Water Sales	Total Capacity	Extra Capacity
Rate Base	Total Water Sales	Total Capacity	Extra Capacity

Also shown is each of the revenue requirements, as they have been allocated to the cost components, and the unit cost for each component. As an example, the total O&M costs allocated to the “base” cost component is approximately \$18.9 million. Since there are 15.7 million base units, the cost per unit is \$1.21. This calculation is repeated for each of the cost components and revenue requirements to arrive at a total system unit cost for each cost component. These unit rates are the basis by which costs are allocated to customer classes.

Although the total cost of service for each customer is different, it is important to note that all customers--whether retail, full service, or wholesale-- pay the same operating unit rate. For example,

1,000 gallons of water costs the same for Des Moines Inside City retail customers, wholesale, and Full Service customers. The difference is that each customer has different units of service.

While the operating unit cost is the same for all customers, capital unit rates vary. Specifically, purchased capacity customers pay a lower capital unit rate because these customers invested capital to construct two of the utility's treatment plants. This up-front investment is recognized when allocating depreciation and rate base. Wholesale customers who have purchased capacity receive a credit against the amount of Shared Depreciation and Rate Base. The depreciation credit is equal to the amount of annual depreciation on the original sale price of the purchased capacity, which calculates to approximately \$1.9 million. The rate base credit is equal to the net book value of the sale price of purchased capacity, which is approximately \$41.0 million.

It is important to note that **Figure 9** displays the development of unit costs for each group of customers, but because Purchased Capacity and other outside city customers pay different unit rates, this table does not indicate the total cost recovered. **Figure 10** displays the total revenue recovered by component, developed by multiplying the unit rates by the appropriate units from **Figure 2**.

Example – Figure 10

Des Moines Inside City- Common To All- Base Costs- O&M= \$7,727,589¹

Figure 9: \$1.2069 operating cost

Figure 2: 6,403,046 kgal FY 2021 projected annual consumption

Figure 10: 6,403,046 units * \$1.2069/unit = \$7,727,589¹

Figure 10 includes a section for Direct Assets, which are assets in DMWW's records related to Full Service customers that are allocated directly to the respective Full Service customer rather than allocated among customer classes. These costs are added back to costs at the end of the allocation process and are shown in the two farthest right columns in **Figure 12**.

Figure 11 shows the reconciliation of utility basis costs in **Figure 10** to the cash basis costs shown in **Figure 1**.

¹ Rounding of unit costs in this report may cause immaterial discrepancies between the results shown in Figure and results estimated by manually calculating costs.

Figure 9: Unit Cost of Service

	Common to All					Full Service and Retail					Retail Only		
	Total	Base	Max Day	Max Hour	Bills	Base	Max Day	Max Hour	Meters	Inch Miles	Base	Max Day	Max Hour
Operating Expenses													
Total Expense	\$ 45,098,106	\$ 18,954,039	\$ 11,836,194	\$ -	\$ 3,109,015	\$ -	\$ -	\$ -	\$ 1,638,271	\$ 9,560,587	\$ -	\$ -	\$ -
Units		15,705,232	37,592	121,005	998,112	7,674,693	14,894	55,235	127,069	9,071	6,603,964	12,560	47,155
Unit Cost		1.2069	314.8628	-	3.1149	-	-	-	12.8928	1,053.9234	-	-	-
Depreciation													
Shared Depreciation													
Total Expense	6,977,908	3,502,958	1,883,851	-	168,255	-	-	-	-	-	437,720	294,826	690,299
Units		15,705,232	80,620	121,005	998,112	7,674,693	35,921	55,235	109,169	9,071	6,603,964	30,653	47,155
Unit Cost		0.2230	23.3671	-	0.1686	-	-	-	-	-	0.0663	9.6183	14.6389
PC Depreciation													
PC Depreciation Credit	(1,993,300)	(1,256,952)	(675,974)	-	(60,374)	-	-	-	-	-	-	-	-
Wholesale PC Depreciation	4,984,607	2,246,006	1,207,876	-	107,881	-	-	-	-	-	437,720	294,826	690,299
Units		15,705,232	80,620	121,005	998,112	7,674,693	35,921	55,235	109,169	9,071	6,603,964	30,653	47,155
Unit Cost		0.1430	14.9824	-	0.1081	-	-	-	-	-	0.0663	9.6183	14.6389
Rate Base													
Shared Rate Base													
Total Shared Rate Base	325,253,474	159,346,898	83,066,174	-	997,353	-	-	-	-	-	25,177,941	16,958,593	39,706,516
Units		15,705,232	80,620	121,005	998,112	7,674,693	35,921	55,235	109,169	9,071	6,603,964	30,653	47,155
Unit Cost		10.1461	1,030.3467	-	0.9992	-	-	-	-	-	3.8125	553.2491	842.0373
Inside City Rate Base													
Rate Base (1)	177,393,328	64,965,966	29,922,785	-	837,934	-	-	-	3,562,403	-	24,411,933	16,067,167	37,625,141
Return on Rate Base	3.94% \$ 6,988,344	2,559,310	1,178,797	-	33,010	-	-	-	140,340	-	961,699	632,960	1,482,228
Units		6,403,046	29,041	44,683	838,572	6,403,046	29,041	44,683	108,271	5,902	6,403,046	29,041	44,683
Unit Cost		0.3997	40.5901	-	0.0394	-	-	-	1.2962	-	0.1502	21.7950	33.1717
Outside City Rate Base													
Rate Base	151,422,549	94,380,932	53,143,389	-	159,419	-	-	-	-	-	766,008	891,426	2,081,375
Return on Rate Base	6.00% 9,085,353	5,662,856	3,188,603	-	9,565	-	-	-	-	-	45,960	53,486	124,883
Units		9,302,186	51,578	76,321	159,540	1,271,647	6,879	10,551	898	3,169	200,917	1,611	2,472
Unit Cost		0.6088	61.8208	-	0.0600	-	-	-	-	-	0.2288	33.1949	50.5222
PC Rate Base													
PC Rate Base Credit	(41,007,175)	(26,845,055)	(13,994,097)	-	-	-	-	-	-	-	-	-	-
PC Rate Base	110,415,374	67,535,878	39,149,292	-	159,419	-	-	-	-	-	766,008	891,426	2,081,375
PC Return on Rate Base	6.00% 6,635,004	4,052,153	2,348,958	-	9,565	-	-	-	-	-	45,960	53,486	124,883
Units		9,302,186	51,578	76,321	159,540	1,271,647	6,879	10,551	898	3,169	200,917	1,611	2,472
Unit Cost		0.4356	45.5417	-	0.0600	-	-	-	-	-	0.2288	33.1949	50.5222

(1) Includes addition of \$3.5 million Direct Asset - Des Moines Inside City Meters.

Figure 10: Cost of Service by Component

	Total	Common to All				Full Service and Retail					Retail Only		
		Base	Max Day	Max Hour	Bills	Base	Max Day	Max Hour	Meters	Inch Miles	Base	Max Day	Max Hour
Des Moines Inside City													
O&M	\$ 21,576,429	\$ 7,727,589	\$ 3,620,568	\$ -	\$ 2,612,065	\$ -	\$ -	\$ -	\$ 1,395,916	\$ 6,220,291	\$ -	\$ -	\$ -
Depreciation	3,605,983	1,428,161	678,616	-	141,361	-	-	-	-	-	424,402	279,328	654,115
Return on Rate Base	6,988,344	2,559,310	1,178,797	-	33,010	-	-	-	140,340	-	961,699	632,960	1,482,228
Subtotal: DMIC	\$ 32,170,757	\$ 11,715,061	\$ 5,477,982	\$ -	\$ 2,786,435	\$ -	\$ -	\$ -	\$ 1,536,255	\$ 6,220,291	\$ 1,386,102	\$ 912,288	\$ 2,136,343
Outside City Customers													
O&M	\$ 23,521,676	\$ 11,226,449	\$ 8,215,626	\$ -	\$ 496,951	\$ -	\$ -	\$ -	\$ 242,355	\$ 3,340,296	\$ -	\$ -	\$ -
PC Depreciation	1,637,802	1,040,534	597,208	-	61	-	-	-	-	-	-	-	-
PC Return on Rate Base	4,984,817	3,169,498	1,815,319	-	-	-	-	-	-	-	-	-	-
Other Outside Depreciation	817,544	451,940	273,806	-	26,799.04	-	-	-	-	-	13,317	15,497	36,185
Other Outside Return on Rate Base	2,191,753	1,233,504	724,390	-	9,531.31	-	-	-	-	-	45,960	53,486	124,883
Subtotal: Outside City	\$ 33,153,594	\$ 17,121,924	\$ 11,626,349	\$ -	\$ 533,342	\$ -	\$ -	\$ -	\$ 242,355	\$ 3,340,296	\$ 59,278	\$ 68,983	\$ 161,067
Direct Assets													
Depreciation	\$ 1,448,868												
Return on Rate Base (1)	1,825,260												
Subtotal: Direct Assets	\$ 3,274,128												
Total: Revenue Recovered	\$ 68,598,478												

(1) Excluding DMIC Meters.

Figure 11: Reconciliation to Cash Basis

	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
<u>Cash Basis Revenue Requirements</u>			
Operation and Maintenance Expense	\$ 50,710,976		\$ 50,710,976
Debt Service		1,919,629	1,919,629
Cash Financed Capital		21,580,744	21,580,744
Contribution to Operating Reserve	546,099		546,099
Subtotal: Revenue Requirement	\$ 51,257,075	\$ 23,500,373	\$ 74,757,447
<u>Requirements Met from Other Sources</u>			
Misc Revenues	6,158,969		6,158,969
Subtotal: Other Revenues	\$ 6,158,969	\$ -	\$ 6,158,969
Total: Revenue Required	\$ 45,098,106	\$ 23,500,373	\$ 68,598,478
<u>Utility Basis Revenue Requirements</u>			
Operation and Maintenance Expense	\$ 45,098,106		\$ 45,098,106
Depreciation		7,510,198	7,510,198
Return on Rate Base		15,990,175	15,990,175
Total: Revenue Requirement	\$ 45,098,106	\$ 23,500,373	\$ 68,598,478

STEP 5: DETERMINATION OF REVENUE REQUIREMENTS BY CUSTOMER CLASS

To determine the allocation of the FY 2021 revenue requirements to each of the customer classes, the total unit cost of service (as illustrated in Figure 9) is multiplied by the units of service for that class (as illustrated in Figure 2)². **Figure 12** indicates the cost of service by customer class.

Example – Figure 12

Des Moines Inside City- Common To All- Base Costs = \$11,715,061²

Figure 9: \$1.2069 operating cost + \$0.2230 shared depreciation + \$0.3997 Inside City rate base = \$1.8296/unit

Figure 2: 6,403,046 kgal FY 2021 projected annual consumption

Figure 10: 6,403,046 units * \$1.8296/unit = \$11,715,061²

Each customer class utilizes varying levels of service. For example, wholesale customers are primarily responsible only for base and maximum day costs, in addition to costs related to issuing bills. Full service and retail customers receive a higher level of service and hence pay additional costs related to maintaining meters, providing customer service, and operating and maintaining distribution systems.

Figure 12 further details costs for each customer within the purchased capacity wholesale class.

COST OF SERVICE RESULTS

Figure 13 presents a summary of each customers Cost of Service compared to projected FY 2021 revenues under approved rates. A few observations in reviewing these results:

- The Des Moines Inside City customer class is slightly over-recovering costs, by approximately 4%. The Des Moines Outside City customer class is significantly under-recovering costs, although the customer class is relatively small which minimizes the overall impact to the retail customer class.
- Full Service customers are recovering costs at varying percentages, some below costs and others above costs. In situations where the results show costs are over-recovered, it should be understood that this has occurred intentionally in order to build up a capital fund for small communities who face significant needed capital improvements in their system.
- Overall, the Wholesale – Purchased capacity class pays approximately 87% of their cost of service. It should be noted the findings in **Figure 13** illustrate the wholesale customers are not homogenous as a class. The purchased capacity wholesale customers have varying attributes, such as max day consumption, that results in widely varying cost of service recovery for each specific customer.
- The Wholesale – With Storage class is over-recovering by about 21%.

² Rounding of unit costs in this report may cause immaterial discrepancies between the results shown in Figure and results estimated by manually calculating costs.

These findings should be considered when customer rates are established and/or designed in future year(s).

Appendix A provides more calculation detail for the cost of service for each retail customer class, wholesale customer and Full Service customer.

Figure 12: Class Cost of Service

	Common to All					Full Service and Retail					Retail Only			Direct	
	Total	Base	Max Day	Max Hour	Bills	Base	Max Day	Max Hour	Meters	Inch Miles	Base	Max Day	Max Hour	Return	Depreciation
Retail															
Des Moines Inside City	\$ 33,022,528	\$ 11,715,061	\$ 5,477,982	\$ -	\$ 2,786,435	\$ -	\$ -	\$ -	\$ 1,395,916	\$ 6,220,291	\$ 1,386,102	\$ 912,288	\$ 2,136,343	\$ 140,340	\$ 851,805
Des Moines, Outside City	1,412,712	409,605	471,265	-	21,986	-	-	-	11,575	195,183	59,278	68,983	161,067	6,707	7,063
Subtotal: Retail	\$ 34,435,240	\$ 12,124,665	\$ 5,949,247	\$ -	\$ 2,808,422	\$ -	\$ -	\$ -	\$ 1,407,491	\$ 6,415,474	\$ 1,445,379	\$ 981,271	\$ 2,297,410	\$ 147,046	\$ 858,868
Full Service															
Polk County	6,525,163	1,261,343	698,204	-	179,020	-	-	-	91,075	2,310,532				1,513,664	471,326
Runnells	68,629	18,761	8,224	-	8,506	-	-	-	2,955	24,156				4,132	1,896
Cumming Water	95,405	21,896	23,241	-	6,058	-	-	-	2,267	41,756				141	45
Alleman	124,733	18,761	9,858	-	7,142	-	-	-	4,137	55,099				21,554	8,183
Pleasant Hill Inside City	1,755,665	508,312	290,472	-	192,060	-	-	-	87,337	391,737				201,336	84,411
Pleasant Hill Outside City	9,263	2,962	2,083	-	201	-	-	-	70	2,282				1,173	492
PCRWD #1	181,617	46,901	24,014	-	18,937	-	-	-	6,338	50,746				27,919	6,761
Berwick Water	224,697	68,795	27,338	-	9,107	-	-	-	4,083	109,956				2,369	3,049
Windsor Heights	675,166	235,136	100,336	-	88,226	-	-	-	32,519	158,847				46,265	13,837
Subtotal: Full Service	9,660,338	2,182,866	1,183,770	-	509,257	-	-	-	230,780	3,145,113				1,818,553	589,999
Wholesale															
Altoona	149,534	23,965	125,491	-	79										
Ankeny	4,732,680	3,371,436	1,361,008	-	236										
Bondurant	412,782	305,666	106,997	-	118										
Clive	2,000,542	1,146,870	853,317	-	355										
Norwalk	839,495	505,189	334,188	-	118										
Waukee	1,724,278	977,080	747,120	-	79										
Urbandale	4,943,038	2,711,456	2,231,385	-	197										
Warren Rural Water	1,468,131	1,044,362	423,650	-	118										
West Des Moines	3,431,203	1,538,113	1,892,736	-	355										
Xenia	1,614,131	1,189,711	424,262	-	158										
Polk City	363,766	177,249	186,478	-	39										
Subtotal: Wholesale PC	21,679,579	12,991,095	8,686,633	-	1,852										
Wholesale with Storage															
West Des Moines - Storage	68,778	23,174	45,524	-	80										
Johnston	2,712,426	1,487,176	1,225,129	-	120										
Water Development Co	42,117	28,009	14,028	-	80										
Subtotal: Wholesale - Storage	2,823,321	1,538,359	1,284,681	-	281										
Total: Utility	\$ 68,598,478	\$ 28,836,985	\$ 17,104,330	\$ -	\$ 3,319,811	\$ -	\$ -	\$ -	\$ 1,638,271	\$ 9,560,587	\$ 1,445,379	\$ 981,271	\$ 2,297,410	\$ 1,965,599	\$ 1,448,868

Figure 13: Cost of Service Results

<u>Customer</u>	<u>Cost of Service</u>	<u>Revenue at FY</u> <u>2021 Rates</u>	<u>COS</u> <u>Recovery</u>
Retail			
Des Moines Inside City	\$ 33,022,528	\$ 34,487,849	104.4%
Des Moines Outside City	1,412,712	864,121	61.2%
Total: Retail	\$ 34,435,240	\$ 35,351,970	102.7%
Full Service			
Polk County	\$ 6,525,163	\$ 6,513,661	99.8%
Runnells	68,629	98,319	143.3%
Cumming	95,405	110,530	115.9%
Alleman	124,733	110,127	88.3%
Pleasant Hill Inside City	1,755,665	2,760,937	157.3%
Pleasant Hill Outside City	9,263	4,894	52.8%
PCRWD	181,617	131,506	72.4%
Berwick	224,697	153,224	68.2%
Windsor Heights	675,166	997,123	147.7%
Total: Full Service	\$ 9,660,338	\$ 10,880,320	112.6%
Wholesale - PC			
Altoona	\$ 149,534	\$ 34,937	23.4%
Ankeny	4,732,680	4,915,107	103.9%
Bondurant	412,782	445,621	108.0%
Clive	2,000,542	1,671,985	83.6%
Norwalk	839,495	736,498	87.7%
Waukee	1,724,278	1,424,453	82.6%
Urbandale	4,943,038	3,952,944	80.0%
Warren Rural Water	1,468,131	1,522,542	103.7%
West Des Moines	3,431,203	2,242,365	65.4%
Xenia	1,614,131	1,734,441	107.5%
Polk City	363,766	258,405	71.0%
Total: Wholesale - PC	\$ 21,679,579	\$ 18,939,298	87.4%
Wholesale with Storage			
West Des Moines - Storage	\$ 68,778	\$ 51,622	75.1%
Johnston	2,712,426	3,312,874	122.1%
Water Development Co	42,117	62,394	148.1%
Total: Wholesale with Storage	\$ 2,823,321	\$ 3,426,890	121.4%
Total: Utility	\$ 68,598,478	\$ 68,598,478	100.0%

Appendix A: Individual Cost of Service

The following tables show a detailed calculation of the cost of service for each wholesale customer. The units of service can be traced to **Figure 2** and the unit costs can be found on **Figure 9**.

⁽¹⁾ Capital unit costs consist of depreciation and return on rate base.

Figure 14: Des Moines Inside City

	Common to All			Full Service and Retail		Retail Only				
<u>Operating Expense</u>	Base	Max Day	Bills	Meters	Inch Miles	Base	Max Day	Max Hour	Direct	Total
Units of Service	6,403,046	11,499	838,572	108,271	5,902.03	6,403,046	11,499	44,683		
Unit Cost	1.2069	314.8628	3.1149	12.8928	1,053.9234	-	-	-	-	-
	\$ 7,727,589	\$3,620,568	\$2,612,065	\$1,395,916	\$6,220,291	\$ -	\$ -	\$ -		\$21,576,429
<u>Capital Expense</u>										
Units of Service	6,403,046	29,041	838,572		5,902.03	6,403,046	29,041	44,683		
Unit Cost (1)	0.6227	63.9573	0.2079		-	0.2165	31.4133	47.8106		
	\$ 3,987,471	\$1,857,413	\$ 174,371	\$ -	\$ -	\$1,386,102	\$ 912,288	\$2,136,343	\$992,145	\$11,446,133
Total: Cost of Service	\$11,715,061	\$5,477,982	\$2,786,435	\$1,395,916	\$6,220,291	\$1,386,102	\$ 912,288	\$2,136,343	\$992,145	\$33,022,562

Figure 15: Des Moines Outside City

	Common to All			Full Service and Retail		Retail Only				
Operating Expense	Base	Max Day	Bills	Meters	Inch Miles	Base	Max Day	Max Hour	Direct	Total
Units of Service	200,917	1,061	6,576	898	185	200,917	1,061	2,472		
Unit Cost	1.2069	314.8628	3.1149	12.8928	1,053.9234	-	-	-		
	\$ 242,479	\$ 334,006	\$ 20,484	\$ 11,575	\$ 195,183	\$ -	\$ -	\$ -	\$ -	\$ 803,727
Capital Expense										
Units of Service	200,917	1,611	6,576	898	185	200,917	1,611	2,472		
Unit Cost (1)	0.8318	85.1880	0.2285	-	-	0.2950	42.8132	65.1611		
	\$ 167,125	\$ 137,260	\$ 1,503	\$ -	\$ -	\$ 59,278	\$ 68,983	\$ 161,067	\$ 13,770	\$ 608,986
Total: Cost of Service	\$ 409,605	\$ 471,265	\$ 21,986	\$ 11,575	\$ 195,183	\$ 59,278	\$ 68,983	\$ 161,067	\$ 13,770	\$ 1,412,712

Figure 16: Polk County

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
Operating Expense							
Units of Service	618,708	1,384	53,544	7,064	2,192		
Unit Cost	1.2069	314.8628	3.1149	12.8928	1,053.9234		
	\$ 746,695	\$ 435,874	\$ 166,784	\$ 91,075	\$ 2,310,532	\$ -	\$ 3,750,960
Capital Expense							
Units of Service	618,708	3,079	53,544	7,064	2,192		
Unit Cost (1)	0.8318	85.1880	0.2285	-	-	-	-
	\$ 514,648	\$ 262,330	\$ 12,236	\$ -	\$ -	\$ 1,984,990	\$ 2,774,203
Total: Cost of Service	\$ 1,261,343	\$ 698,204	\$ 179,020	\$ 91,075	\$ 2,310,532	\$ 1,984,990	\$ 6,525,163

Figure 17: Runnells

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
Operating Expense							
Units of Service	9,202	15	2,544	229	23		
Unit Cost	1.2069	314.8628	3.1149	12.8928	1,053.9234		
	\$ 11,106	\$ 4,782	\$ 7,924	\$ 2,955	\$ 24,156	\$ -	\$ 50,923
Capital Expense							
Units of Service	9,202	40	2,544	229	23		
Unit Cost (1)	0.8318	85.1880	0.2285	-	-	-	-
	\$ 7,655	\$ 3,442	\$ 581	\$ -	\$ -	\$ 6,028	\$ 17,706
Total: Cost of Service	\$ 18,761	\$ 8,224	\$ 8,506	\$ 2,955	\$ 24,156	\$ 6,028	\$ 68,629

Figure 18: Cumming

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
Operating Expense							
Units of Service	10,741	52	1,812	176	40		
Unit Cost	1.2069	314.8628	3.1149	12.8928	1,053.9234		
	\$ 12,962	\$ 16,319	\$ 5,644	\$ 2,267	\$ 41,756	\$ -	\$ 78,949
Capital Expense							
Units of Service	10,741	81	1,812	176	40		
Unit Cost (1)	0.8318	85.1880	0.2285	-	-	-	-
	\$ 8,934	\$ 6,922	\$ 414	\$ -	\$ -	\$ 186	\$ 16,456
Total: Cost of Service	\$ 21,896	\$ 23,241	\$ 6,058	\$ 2,267	\$ 41,756	\$ 186	\$ 95,405

Figure 19: Alleman

Operating Expense	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
Units of Service	9,202	19	2,136	321	52		
Unit Cost	1.2069	314.8628	3.1149	12.8928	1,053.9234	-	-
	\$ 11,106	\$ 6,069	\$ 6,653	\$ 4,137	\$ 55,099	\$ -	\$ 83,064
Capital Expense							
Units of Service	9,202	44	2,136	321	52		
Unit Cost (1)	0.8318	85.1880	0.2285	-	-	-	-
	\$ 7,655	\$ 3,790	\$ 488	\$ -	\$ -	\$ 29,737	\$ 41,670
Total: Cost of Service	\$ 18,761	\$ 9,858	\$ 7,142	\$ 4,137	\$ 55,099	\$ 29,737	\$ 124,733

Figure 20: Pleasant Hill Inside City

Operating Expense	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
Units of Service	249,335	581	57,444	6,774	372		
Unit Cost	1.2069	314.8628	3.1149	12.8928	1,053.9234		
	\$ 300,913	\$ 182,817	\$ 178,932	\$ 87,337	\$ 391,737	\$ -	\$ 1,141,737
Capital Expense							
Units of Service	249,335	1,264	57,444	6,774	372		
Unit Cost (1)	0.8318	85.1880	0.2285	-	-	-	-
	\$ 207,399	\$ 107,655	\$ 13,128	\$ -	\$ -	\$ 285,746	\$ 613,928
Total: Cost of Service	\$ 508,312	\$ 290,472	\$ 192,060	\$ 87,337	\$ 391,737	\$ 285,746	\$ 1,755,665

Figure 21: Pleasant Hill Outside City

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
Operating Expense							
Units of Service	1,453	4	60	5	2		
Unit Cost	1.2069	314.8628	3.1149	12.8928	1,053.9234		
	\$ 1,753	\$ 1,373	\$ 187	\$ 70	\$ 2,282	\$ -	\$ 5,665
Capital Expense							
Units of Service	1,453	8	60	5	2		
Unit Cost (1)	0.8318	85.1880	0.2285	-	-	-	-
	\$ 1,208	\$ 710	\$ 14	\$ -	\$ -	\$ 1,665	\$ 3,597
Total: Cost of Service	\$ 2,962	\$ 2,083	\$ 201	\$ 70	\$ 2,282	\$ 1,665	\$ 9,263

Figure 22: PCRWD #1

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
Operating Expense							
Units of Service	23,006	47	5,664	492	48		
Unit Cost	1.2069	314.8628	3.1149	12.8928	1,053.9234		
	\$ 27,765	\$ 14,674	\$ 17,643	\$ 6,338	\$ 50,746	\$ -	\$ 117,166
Capital Expense							
Units of Service	23,006	110	5,664	492	48		
Unit Cost (1)	0.8318	85.1880	0.2285	-	-	-	-
	\$ 19,136	\$ 9,340	\$ 1,294	\$ -	\$ -	\$ 34,681	\$ 64,451
Total: Cost of Service	\$ 46,901	\$ 24,014	\$ 18,937	\$ 6,338	\$ 50,746	\$ 34,681	\$ 181,617

Figure 23: Berwick

<u>Operating Expense</u>	<u>Common to All</u>			<u>Full Service and Retail</u>		<u>Direct</u>	<u>Total</u>
	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Meters</u>	<u>Inch Miles</u>		
Units of Service	33,745	49	2,724	317	104		
Unit Cost	1.2069	314.8628	3.1149	12.8928	1,053.9234		
	\$ 40,725	\$ 15,318	\$ 8,485	\$ 4,083	\$ 109,956	\$ -	\$ 178,567
Capital Expense							
Units of Service	33,745	141	2,724	317	104		
Unit Cost (1)	0.8318	85.1880	0.2285				
	\$ 28,069	\$ 12,020	\$ 623	\$ -	\$ -	\$ 5,418	\$ 46,130
Total: Cost of Service	\$ 68,795	\$ 27,338	\$ 9,107	\$ 4,083	\$ 109,956	\$ 5,418	\$ 224,697

Figure 24: Windsor Heights

<u>Operating Expense</u>	<u>Common to All</u>			<u>Full Service and Retail</u>		<u>Direct</u>	<u>Total</u>
	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Meters</u>	<u>Inch Miles</u>		
Units of Service	115,338	184	26,388	2,522	151		
Unit Cost	1.2069	314.8628	3.1149	12.8928	1,053.9234		
	\$ 139,197	\$ 57,784	\$ 82,196	\$ 32,519	\$ 158,847	\$ -	\$ 470,542
Capital Expense							
Units of Service	115,338	500	26,388	2,522	151		
Unit Cost (1)	0.8318	85.1880	0.2285				
	\$ 95,939	\$ 42,553	\$ 6,030	\$ -	\$ -	\$ 60,101	\$ 204,623
Total: Cost of Service	\$ 235,136	\$ 100,336	\$ 88,226	\$ 32,519	\$ 158,847	\$ 60,101	\$ 675,166

Figure 25: Altoona

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	13,422	328	24	
Unit Cost	1.2069	314.8628	3.1149	
	<u>\$ 16,198</u>	<u>\$ 103,391</u>	<u>\$ 75</u>	<u>\$ 119,664</u>
<u>Capital Expense</u>				
Units of Service	13,422	365	24	
Unit Cost (1)	0.5786	60.5241	0.1680	
	<u>\$ 7,766</u>	<u>\$ 22,100</u>	<u>\$ 4</u>	<u>\$ 29,870</u>
Total: Cost of Service	\$ 23,965	\$ 125,491	\$ 79	\$ 149,534

Figure 26: Ankeny

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	1,888,247	2,792	72	
Unit Cost	1.2069	314.8628	3.1149	
	<u>\$ 2,278,852</u>	<u>\$ 878,946</u>	<u>\$ 224</u>	<u>\$3,158,023</u>
<u>Capital Expense</u>				
Units of Service	1,888,247	7,965	72	
Unit Cost (1)	0.5786	60.5241	0.1680	
	<u>\$ 1,092,583</u>	<u>\$ 482,062</u>	<u>\$ 12</u>	<u>\$1,574,658</u>
Total: Cost of Service	\$ 3,371,436	\$1,361,008	\$ 236	\$4,732,680

Figure 27: Bondurant

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	171,195	209	36	
Unit Cost	1.2069	314.8628	3.1149	
	<u>\$ 206,609</u>	<u>\$ 65,936</u>	<u>\$ 112</u>	<u>\$ 272,656</u>
<u>Capital Expense</u>				
Units of Service	171,195	678	36	
Unit Cost (1)	0.5786	60.5241	0.1680	
	<u>\$ 99,057</u>	<u>\$ 41,062</u>	<u>\$ 6</u>	<u>\$ 140,125</u>
Total: Cost of Service	\$ 305,666	\$ 106,997	\$ 118	\$ 412,782

Figure 28: Clive

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	642,330	1,989	108	
Unit Cost	1.2069	314.8628	3.1149	
	<u>\$ 775,203</u>	<u>\$ 626,397</u>	<u>\$ 336</u>	<u>\$ 1,401,937</u>
<u>Capital Expense</u>				
Units of Service	642,330	3,749	108	
Unit Cost (1)	0.5786	60.5241	0.1680	
	<u>\$ 371,667</u>	<u>\$ 226,919</u>	<u>\$ 18</u>	<u>\$ 598,604</u>
Total: Cost of Service	\$ 1,146,870	\$ 853,317	\$ 355	\$ 2,000,542

Figure 29: Norwalk

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	282,942	765	36	
Unit Cost	1.2069	314.8628	3.1149	
	<u>\$ 341,472</u>	<u>\$ 240,954</u>	<u>\$ 112</u>	<u>\$ 582,538</u>
<u>Capital Expense</u>				
Units of Service	282,942	1,540	36	
Unit Cost (1)	0.5786	60.5241	0.1680	
	<u>\$ 163,717</u>	<u>\$ 93,234</u>	<u>\$ 6</u>	<u>\$ 256,957</u>
Total: Cost of Service	\$ 505,189	\$ 334,188	\$ 118	\$ 839,495

Figure 30: Waukee

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	547,235	1,749	24	
Unit Cost	1.2069	314.8628	3.1149	
	<u>\$ 660,437</u>	<u>\$ 550,549</u>	<u>\$ 75</u>	<u>\$ 1,211,061</u>
<u>Capital Expense</u>				
Units of Service	547,235	3,248	24	
Unit Cost (1)	0.5786	60.5241	0.1680	
	<u>\$ 316,643</u>	<u>\$ 196,571</u>	<u>\$ 4</u>	<u>\$ 513,218</u>
Total: Cost of Service	\$ 977,080	\$ 747,120	\$ 79	\$ 1,724,278

Figure 31: Urbandale

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	1,518,611	5,273	60	
Unit Cost	1.2069	314.8628	3.1149	
	<u>\$ 1,832,753</u>	<u>\$ 1,660,401</u>	<u>\$ 187</u>	<u>\$ 3,493,341</u>
<u>Capital Expense</u>				
Units of Service	1,518,611	9,434	60	
Unit Cost (1)	0.5786	60.5241	0.1680	
	<u>\$ 878,703</u>	<u>\$ 570,984</u>	<u>\$ 10</u>	<u>\$ 1,449,697</u>
Total: Cost of Service	\$ 2,711,456	\$ 2,231,385	\$ 197	\$ 4,943,038

Figure 32: Warren Rural Water

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	584,918	870	36	
Unit Cost	1.2069	314.8628	3.1149	
	<u>\$ 705,915</u>	<u>\$ 273,992</u>	<u>\$ 112</u>	<u>\$ 980,019</u>
<u>Capital Expense</u>				
Units of Service	584,918	2,473	36	
Unit Cost (1)	0.5786	60.5241	0.1680	
	<u>\$ 338,447</u>	<u>\$ 149,659</u>	<u>\$ 6</u>	<u>\$ 488,112</u>
Total: Cost of Service	\$ 1,044,362	\$ 423,650	\$ 118	\$ 1,468,131

Figure 33: West Des Moines

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	861,454	4,662	108	
Unit Cost	1.2069	314.8628	3.1149	
	<u>\$ 1,039,656</u>	<u>\$ 1,467,753</u>	<u>\$ 336</u>	<u>\$ 2,507,745</u>
 <u>Capital Expense</u>				
Units of Service	861,454	7,022	108	
Unit Cost (1)	0.5786	60.5241	0.1680	
	<u>\$ 498,457</u>	<u>\$ 424,983</u>	<u>\$ 18</u>	<u>\$ 923,458</u>
 Total: Cost of Service	 \$ 1,538,113	 \$ 1,892,736	 \$ 355	 \$ 3,431,203

Figure 34: Xenia

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	666,324	836	48	
Unit Cost	1.2069	314.8628	3.1149	
	<u>\$ 804,161</u>	<u>\$ 263,182</u>	<u>\$ 150</u>	<u>\$ 1,067,493</u>
 <u>Capital Expense</u>				
Units of Service	666,324	2,661	48	
Unit Cost (1)	0.5786	60.5241	0.1680	
	<u>\$ 385,550</u>	<u>\$ 161,079</u>	<u>\$ 8</u>	<u>\$ 546,638</u>
 Total: Cost of Service	 \$ 1,189,711	 \$ 424,262	 \$ 158	 \$ 1,614,131

Figure 35: Polk City

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	99,272	453	12	
Unit Cost	1.2069	314.8628	3.1149	
	<u>\$ 119,808</u>	<u>\$ 142,605</u>	<u>\$ 37</u>	<u>\$ 262,450</u>
 <u>Capital Expense</u>				
Units of Service	99,272	725	12	
Unit Cost (1)	0.5786	60.5241	0.1680	
	<u>\$ 57,441</u>	<u>\$ 43,873</u>	<u>\$ 2</u>	<u>\$ 101,316</u>
 Total: Cost of Service	 \$ 177,249	 \$ 186,478	 \$ 39	 \$ 363,766

Figure 36: West Des Moines - Storage

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	11,367	107	24	
Unit Cost	1.2069	314.8628	3.1149	
	<u>\$ 13,718</u>	<u>\$ 33,742</u>	<u>\$ 75</u>	<u>\$ 47,535</u>
<u>Capital Expense</u>				
Units of Service	11,367	138	24	
Unit Cost (1)	0.8318	85.1880	0.2285	
	<u>\$ 9,455</u>	<u>\$ 11,782</u>	<u>\$ 5</u>	<u>\$ 21,243</u>
Total: Cost of Service	\$ 23,174	\$ 45,524	\$ 80	\$ 68,778

Figure 37: Johnston

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	729,483	2,637	36	
Unit Cost	1.2069	314.8628	3.1149	
	<u>\$ 880,385</u>	<u>\$ 830,246</u>	<u>\$ 112</u>	<u>\$ 1,710,743</u>
<u>Capital Expense</u>				
Units of Service	729,483	4,635	36	
Unit Cost (1)	0.8318	85.1880	0.2285	
	<u>\$ 606,791</u>	<u>\$ 394,883</u>	<u>\$ 8</u>	<u>\$ 1,001,683</u>
Total: Cost of Service	\$ 1,487,176	\$ 1,225,129	\$ 120	\$ 2,712,426

Figure 38: Water Development Co.

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	13,739	27	24	
Unit Cost	1.2069	314.8628	3.1149	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 16,581</u>	<u>\$ 8,517</u>	<u>\$ 75</u>	<u>\$ 25,173</u>
<u>Capital Expense</u>				
Units of Service	13,739	65	24	
Unit Cost (1)	0.8318	85.1880	0.2285	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 11,428</u>	<u>\$ 5,511</u>	<u>\$ 5</u>	<u>\$ 16,945</u>
Total: Cost of Service	\$ 28,009	\$ 14,028	\$ 80	\$ 42,117

GLOSSARY

Availability Charge - A flat monthly charge designed to recover part or all of customer related costs in lieu of recovering them through volume rates since these costs do not vary with the amount of water use. Availability charges can be established as progressive based on meter size or capped to meet specific needs.

Base Costs - Costs that tend to vary with the total quantity of water used and operation under average load conditions. Costs included are operation, maintenance, and replacement expenses of supply, treatment, pumping facilities and capital costs related to plant investment associated with serving customers at a constant, or average demand.

Base-Extra Capacity - The method of cost allocation in which the costs of service are classified to the functional cost components of base, extra-capacity (maximum day, maximum hour), customer related, and fire protection costs.

Cash-Needs Approach – One of two commonly used methods that projects revenue requirements with the objective of ensuring utility revenues are sufficient to recover total cash needs for a given projection period. Components of the cash-needs approach include O&M expenses, debt service payments, contributions to reserves, and cost of capital expenditures that are not debt-financed or contributed (primarily recovered through rates). Also called “**Cash Basis Approach.**”

Customer Classification - The grouping of customers into homogeneous classes. Typically, water utility customers may be classified as residential, commercial, industrial or wholesale for rate-making and other purposes.

Customer Related Costs - Costs directly associated with serving customers, regardless of the amount of water use. Such costs generally include meter reading, billing, accounting, and collecting expense, and maintenance and capital costs related to meters and associated services.

Debt Service - The amounts of money necessary to pay interest and principal requirements resulting from the borrowing of money for capital expenditures.

Demand Costs - Costs associated with providing facilities to meet peak day and peak hour demands placed on the system by customers. They include capital-related costs and operation and maintenance expenses associated with those facilities.

Depreciation - The periodic cost incurred based on replacement cost of fixed assets and plant facilities. The funds resulting from depreciation are used for replacement of these assets.

Equivalent Meter Ratio - The ratio of the capacity in larger meters to that of a 5/8” meter used for most residential customers.

Extra Capacity Costs - Capital and operation and maintenance costs related to providing water at levels above average demand. These costs are divided between maximum-day and maximum-hour components.

Fire Protection Costs - Cost of providing fire protection service to the areas served by the utility.

Full Service Customers – Customers outside the City of Des Moines who are served by Des Moines Water Works under contract. Des Moines Water Works provides full service to these communities, including operations and maintenance of the water system, customer service, billing, planning for capital improvements, etc. Also called “**Total Service**” customers.

Maximum-Day - Extra capacity costs associated with system capacity designed to meet the one-day maximum demand placed on the system.

Maximum-Hour - Extra capacity costs associated with system capacity designed to meet the one-hour maximum demand placed on the system.

Operational Areas - Specific areas of the utility operations under which related operating and maintenance expenses are grouped.

Peak-Day - Demand costs related to treatment, pumping and transmission facilities designed to meet peak one day usage.

Peak-Hour - Demand costs, in excess of peak-day, related to treatment, pumping and transmission facilities designed to meet peak one hour usage.

Purchased Capacity - Direct purchase of capacity in the treatment, pumping and transmission facilities of the utility in order to eliminate the return on investment cost component related to those facilities.

Rate Base – Rate base is the net book value of capital assets (original cost less depreciation) and usually also includes the costs for construction in progress.

Rate-Making Process - The process of developing and establishing rates and charges. The process is comprised of four phases: (1) determination of revenue requirements; (2) allocation of costs to the functional components of the cost of service; (3) distribution of the functional costs of service to customer classes; and (4) development and design of a schedule of rates and charges to recover the revenue requirements.

Return on Investment - The cost computed as a percentage of the value of plant investments dedicated to serving outside city and wholesale customers.

Revenue Requirement - The total revenues needed to meet all expenses and capital replacement costs of the utility.

Test Year - The annualized period for which costs are analyzed and rates established.

Utility Approach – One of two commonly used approaches to projecting revenue requirements. Components of the utility basis include O&M expenses, depreciation expense, and return on rate base. This approach is particularly appropriate when the government owned utility serves customers

outside its geographical limits, based on the premise that the owner investors are entitled to a reasonable return from nonowner customers based on the value of assets required to serve those customers.

Wholesale Customers - Service in which water is sold to a customer at one or more major points of delivery for resale within the wholesale customer's service area.

AGENDA ITEM FORM

SUBJECT: Award 2021 Tank Painting – Pleasant Hill Tower and Wilchinski Standpipe

SUMMARY:

- On December 22, 2020, the Board of Water Works Trustees authorized staff to solicit bids for the 2021 Tank Painting – Pleasant Hill Tower and Wilchinski Standpipe project. The Public Hearing was established as the date of the January 2021 Board meeting. Pre-bid meeting was held on January 5, 2021, via Zoom meeting and twelve bidders participated in the meeting.
- Plans, specifications, and contract documents were taken out by seven bidders. All seven bidders submitted bids which were opened on January 15, 2021. Following is the summary of the bids received:

BIDDER	PLEASANT HILL TOWER		WILCHINSKI STANDPIPE		BASE BIDS TOTAL	GRAND TOTAL
	BASE BID	ALTERNATE	BASE BID	ALTERNATE		
J.R. Stelzer Co.	\$359,134	\$86,400	\$601,300	\$98,690	\$960,434	\$1,145,524
Viking Painting, LLC	\$444,300	\$99,100	\$711,300	\$117,300	\$1,155,600	\$1,372,000
TMI Coatings	\$560,500	\$90,700	\$773,500	\$103,900	\$1,334,000	\$1,528,600

- Four out of seven bids were determined to be non-compliant. Three bidders failed to place BID SECURITY and PROPOSALS in proper envelopes and a fourth bidder failed to use the proper BID BOND form that was provided. Staff will endeavor to provide more detailed instruction during future bid processes to minimize rejections.
- The engineer's estimate for completing all elements of the work at both tanks was \$1,651,000.
- Staff has reviewed the bids and evaluated combinations of Alternate Bids with the Base Bids. Staff believes the combination of Alternate and the Base Bid for both tanks is in the best interest of the Des Moines Water Works. This recommendation has also been shared with Pleasant Hill personnel.
- The low bid for the combination both Base and Alternate Bids for both tanks was submitted by J.R. Stelzer Co. in the amount of \$1,145,524. J. R. Stelzer Co. is based out of Lincoln, Nebraska, and has successfully painted a number of facilities in the Midwest.
- Staff recommends the Board award a contract to J.R. Stelzer Co., for the Base Bids and Alternates combined for Pleasant Hill Tower and Wilchinski Standpipe in the total amount of \$1,145,524.

FISCAL IMPACT:


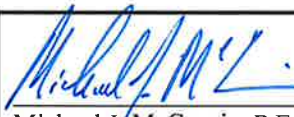

Funds for the 2021 Tank Painting – Pleasant Hill Tower and Wilchinski Standpipe project will come from allocations in both the 2020 and 2021 capital budgets.

RECOMMENDED ACTION:

Award the 2021 Tank Painting – Pleasant Hill Tower and Wilchinski Standpipe Contract to J.R. Stelzer Co. for the Base Bids and Alternates combined.

BOARD REQUIRED ACTION:

- Public Hearing – Opened by Chairperson for comments from the public regarding the form of contract, plans and specifications, and estimated cost. Chairperson closes hearing.
- Motion for adoption of form of contract, plans and specifications, and estimated cost.
- Analysis of bids received.
- Award the 2021 Tank Painting – Pleasant Hill Tower and Wilchinski Standpipe Contract to J.R. Stelzer Co. for the Base Bids and Alternates combined, in the total amount of \$1,145,524, and authorize the Chairperson and the CEO and General Manager to execute the contract.

 Jaewon Lim, P.E. Project Manager	1/19/21 (date)	 Michael J. McCurnin, P.E. Director of Engineering Services	1/19/21 (date)	 Ted Corrigan, P.E. CEO and General Manager	1/21/21 (date)
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Attachments: none

AGENDA ITEM FORM

SUBJECT: MidAmerican Energy Company Underground Gas Easement Amendment

SUMMARY:

- In May of 1951, the Board of Water Works Trustees granted an easement, along a specific route, to Iowa Power and Light Company for the right and privilege to install a pipeline for the transportation of gas.
- The easement was modified in 1954. It appears the 1954 modification was done to better define the actual routing of the pipeline facility.
- The pipeline facility is installed in easement on Des Moines Water Works' (DMWW) property from a point south of George Flagg Parkway and west of SW 30th Street to the northwest under the Raccoon River and then nearly 1,400 more feet to the north on DMWW's property.
- Recent observations indicate the pipeline facility is exposed along the north bank of the Raccoon River. Such exposure puts the facility at risk. MidAmerican Energy Company (MEC) recently approached DMWW staff about easement modifications that would allow the original facility to be replaced. MEC intends to install new gas line adjacent to existing gas line and then abandon the existing facility that is at risk.
- At its December 2020 Board Meeting, the Board of Water Works Trustees established the date of the January 2021 Board Meeting as the date of Public Hearing for the MidAmerican Energy Company Underground Gas Easement Amendment.
- Water Works staff and legal counsel have worked with MEC to develop an Easement Amendment. Terms and conditions of the Easement Amendment have been finalized.
- Staff recommends that the Board authorize the Chairperson and CEO and General Manager to execute the MidAmerican Energy Company Underground Gas Easement Amendment.

FISCAL IMPACT:

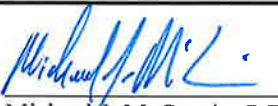
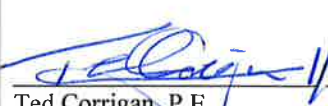
No fiscal impact associated with this item.

RECOMMENDED ACTION:

Authorize the Chairperson and CEO and General Manager to execute the MidAmerican Energy Company Underground Gas Easement Amendment.

BOARD REQUIRED ACTION:

- Public Hearing – Opened by Chairperson for comments from the public regarding the granting of an MidAmerican Energy Company Underground Gas Easement Amendment to MidAmerican Energy Company across Water Works' real estate. Chairperson closes hearing.
- Authorize the Chairperson and CEO and General Manager to execute the MidAmerican Energy Company Underground Gas Easement Amendment.

	 Michael J. McCurnin, P.E. (date) 1/19/21 Director of Engineering Services	 Ted Corrigan, P.E. (date) 1/21/21 CEO and General Manager
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Attachments: Easement and Easement Amendment

BOX 1235781

51584

EASEMENT

Index No. _____
POLK COUNTY, IOWA
FILED FOR RECORD
 JUN 8 1951 - A.M.
 P.M.
AGNES GIBSON, Recorder
[Signature] Deputy

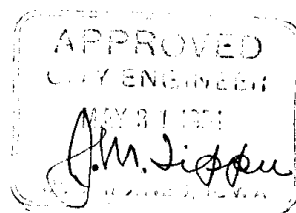
In consideration of the sum of Five Hundred and Sixty Dollars (\$560.00) in hand paid by IOWA POWER AND LIGHT COMPANY, an Iowa corporation, having its principal place of business in the City of Des Moines, Iowa, (hereinafter referred to as the "Company") receipt whereof is hereby acknowledged, the BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES (hereinafter referred to as the "Trustees") do hereby grant unto said Iowa Power and Light Company the right and privilege to enter upon the lands adjacent to the pipe line route hereinafter described, and to make the necessary excavations therein and to do and perform such other things on such lands as were reasonably necessary to construct and install, and thereafter maintain thereon a pipe line to be used for the transportation of gas.

The said pipe line shall be constructed and laid in the Northeast Quarter of Section Eighteen (18), Township Seventy-eight (78) North, Range Twenty-four (24) West of the Fifth P.M., Des Moines, Polk County, Iowa, approximately on the following described route:

Beginning at a point Ten feet (10') West of the Northwest corner of the Northeast Quarter (NE¹) of the Northeast Quarter (NE¹) of said Section Eighteen (18), thence Southeasterly Fourteen Hundred feet (1400') to the North bank of the Raccoon River;

Also beginning at a point on the North line of Valley Drive where said North line intersects with a Northerly extension of the West line of Southwest Thirtieth Street, thence Northwesterly Fifty feet (50') to the South bank of the Raccoon River.

And for the consideration above named, the Trustees do hereby grant to the Company, its successors and assigns, a permanent easement to maintain said pipe line as thus constructed, and, for the purpose of maintaining and servicing said pipe line, the right to enter upon the necessary parts of the lands adjacent thereto, at all reasonable times.



[Signature]
 BOOK 2436 PAGE 571

-2-

This grant is made upon the following conditions, to all of which by the acceptance hereof, the Company agrees, to-wit:

1. That in entering upon said lands for the purpose of constructing said pipe line, or for the purpose of servicing the same or any other purpose in connection therewith, it shall enter at such points and shall use such routes thereover as shall be designated by the Trustees or their authorized agent.

2. That such pipe line shall be laid at a depth of not less than three (3) feet below the surface, as measured from the top of the pipe.

3. That upon completion of such pipe line, or at any other time that the surface of said lands is disturbed by reason of ditching or other use for the purpose of servicing said pipe line, it will promptly restore the surface to the approximate level that it was before being so disturbed, replacing so far as possible, the top soil on the surface, and restoring the surface of any road crossed to the condition in which it was found; and that if at any time any material subsidence of the surface of said lands over such pipe line occurs, it will, upon the request of the Trustees, restore the surface to the approximate level of the adjacent lands.

4. That it will at all times exercise reasonable diligence for the purpose of preventing damage to the crops, fences, grass, shrubbery, trees or other property of the Trustees on said lands; and if by reason of the construction, maintenance or operation of said pipe line damage is caused to any of the same, the Company will upon demand of the Trustees repair such damage or, in the case of irreparable damage, compensate the Trustees therefor.

5. That the Company will indemnify and hold harmless the Trustees for loss, damage or injury to any persons or property resulting from a break in the said pipe line at any point on the property of the Trustees.

-3-

6. If at any time after said pipe line is constructed it develops that the same constitutes an unreasonable interference with the desired use of said lands by the Trustees, the Company agrees that it will upon the request of the Trustees, relocate said pipe line or a part thereof in such manner as required by the Trustees; it being understood and agreed that in the event of the relocation of such line the easement granted hereby shall extend to the area upon which such relocated pipe line is laid and constructed.

7. That the Trustees reserve all rights to the use of the surface of said lands over said pipe line, including, particularly, the right to construct buildings or other improvements thereon; it being understood, however, that in case the Trustees at any time contemplate constructing a building or improvement over said pipe line that might interfere with the servicing thereof, they will, prior to commencing the work of such construction, notify the Company of their intentions so that, if deemed desirable by the Company, it may relocate its pipe line before such work is commenced; and in case it desires to do so, the Trustees agree that the lands upon which said relocated line is constructed shall be subject to the easement hereby granted, as though originally included.

8. That the failure of the Company, its successors or assigns, to comply with and abide by the conditions upon which this grant is made as hereinbefore stated, shall be just cause for the revocation and termination of the easement hereby granted, at the option of the Trustees; and in case of revocation and termination thereof, the Company, its successors or assigns shall be obligated to forthwith peaceably remove said pipe line and restore the surface of the ground to such condition that it was in prior to such removal.

Dated this 29th day of May, 1951

IOWA POWER AND LIGHT COMPANY

By J. I. Schulhaup
Executive Vice President

J. E. Shade
Secretary

BOARD OF WATER WORKS TRUSTEES OF THE
CITY OF DES MOINES

By Thurmon L. Lenneman
Chairman

Paul C. Maffitt
Secretary

STATE OF IOWA)
) SS.
 COUNTY OF POLK)

On the 29 day of May, 1951, personally appeared before me, the undersigned, a Notary Public, in and for the County of Polk, State of Iowa, Vernon Denman and Dale L. Maffitt, each to me being personally known, and each of whom being first by me duly sworn, on oath did respectively say that they are the Chairman and Secretary of the Board of Water Works Trustees of the City of Des Moines; that they executed the foregoing instrument by the authority and direction of said Board of Trustees, and that said instrument was authorized by said Board of Trustees with the consent of the City Council of the City of Des Moines, Iowa.

IN WITNESS WHEREOF, I have hereunto set my hand and imprinted my notarial seal the date last above written.

Edna Kervagel
 Notary Public, In and For Polk
 County, Iowa.

STATE OF IOWA)
) SS.
 COUNTY OF POLK)

On the 29th day of May, 1951, before me, a Notary Public in and for said County in the State aforesaid, personally appeared _____
L. T. Schilling and L. E. Slade, to me personally known, each being by me duly sworn, did say that the said L. T. Schilling is the Vice President, and the said L. E. Slade is the Secretary of Iowa Power and Light Company, the corporation that executed the foregoing instrument, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed, sealed and delivered in the name and in behalf of said corporation by authority of its Board of Directors, and said L. T. Schilling and L. E. Slade acknowledge said instrument to be the free and voluntary act and deed of said corporation.

WITNESS my hand and seal the day of year last above written.

My Commission expires July 4, 1951

Henry F. Reed
 Notary Public

MODIFICATION
OF
EASEMENT

This modification of Easement, made and agreed upon this 5th day of November, 1954 by and between the Board of Waterworks Trustees of the City of Des Moines, Iowa, (hereinafter referred to as the "Trustees") and The Iowa Power and Light Company, an Iowa Corporation with its general office in Des Moines, Iowa (hereinafter referred to as Company).

The Trustees and the Company hereby agree to modify and change as follows that certain easement executed by them on May 29, 1951, granting a right of way across certain of the Trustee's land in Section 18, Township 78 North, Range 24 West of the 5th P.M., Polk County, Iowa, and recorded in Book 2436 at pages 571, 573, 575 and 576 of the records of Polk County, Iowa:

There shall be substituted for land description appearing in paragraphs Three and Four of the above referred to agreement which reads --

Beginning at a point Ten feet (10') West of the Northwest corner of the Northeast Quarter (NE $\frac{1}{4}$) of the Northeast Quarter (NE $\frac{1}{4}$) of said Section Eighteen (18), thence Southeasterly Fourteen Hundred feet (1400') to the North bank of the Raccoon River;

Also beginning at a point on the North line of Valley Drive where said North line intersects with a Northerly extension of the west line of Southwest Thirtieth Street, thence Northwesterly Fifty feet (50') to the South bank of the Raccoon River,

the following land description:

Beginning at a point Ten feet (10') West of the Northwest corner of the Northeast Quarter of the Northeast Quarter (NE $\frac{1}{4}$) of said Section 18, thence Southeasterly in a straight line on an angle of 6° 10 minutes to the north bank of the Raccoon River;

Also beginning at the point on the South bank of the Raccoon River where the above described straight line, projected, intersects with the said South bank, thence Southeasterly along a continuation of the said projected straight line a distance of approximately 77 feet, thence to the left at an angle of 42° in a straight line a distance of approximately 67 feet to the north line of Valley Drive.

Also beginning at the point on the South boundary line of Valley Drive where the straight line last above described, projected, intersects the said south boundary line, thence southeasterly along a continuation of the said projected straight line a distance of approximately Ten feet (10'), thence to the left in a straight line forming an angle of 90° with the west line of S.W. 30th Street to the said west line.

In Witness Whereof the parties hereto have executed this agreement on the date first above mentioned.

IOWA POWER AND LIGHT COMPANY

[Signature]
Executive Vice President

[Signature]
Secretary

BOARD OF WATER WORKS TRUSTEES OF
THE CITY OF DES MOINES

[Signature]
Chairman

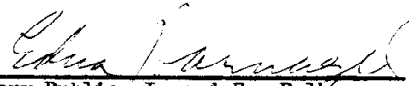
[Signature]
Secretary

ACKNOWLEDGMENT

STATE OF IOWA)
) SS.
COUNTY OF POLK)

On the 2^D day of November, 1954, A.D., personally appeared before me, the undersigned, a Notary Public, in and for the County of Polk, State of Iowa, Ralph L. Jester and Dale L. Maffitt, each to me being personally known, and each of whom being first by me duly sworn, on oath did respectively say that they are the Chairman and Secretary of the Board of Water Works Trustees of the City of Des Moines; that they executed the foregoing instrument by the authority and direction of said Board of Trustees, and that said instrument was authorized by said Board of Trustees with the consent of the City Council of the City of Des Moines, Iowa.

In Witness Whereof, I have hereunto set my hand and imprinted my notarial seal the date last above written.



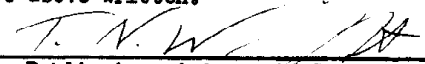
Notary Public, in and For Polk
County, Iowa.
Notary Public in and for Polk County, Iowa
My Commission Expires July 4, 1957

STATE OF IOWA)
) SS.
COUNTY OF POLK)

On this 5TH day of NOVEMBER, A.D. 1954, before me, a Notary Public in and for said County, personally appeared J. T. Schilling and L. E. Slade to me personally known, who being by me duly sworn, did say that they are respectively the executive vice president and secretary of said Iowa Power and Light Company, that the seal affixed to said instrument is the seal of said corporation and that said instrument was signed and sealed on behalf of the said corporation by authority of its board of directors, and the said J. T. Schilling and L. E. Slade acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it voluntarily executed.

WITNESS my hand and seal the day and year last above written.

My Commission expires July 4, 1957



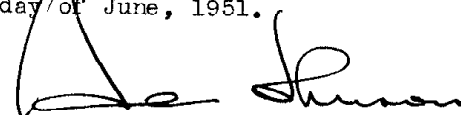
Notary Public in and for said County

Roll Call No. Des Moines, Iowa, 195

~~BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa~~

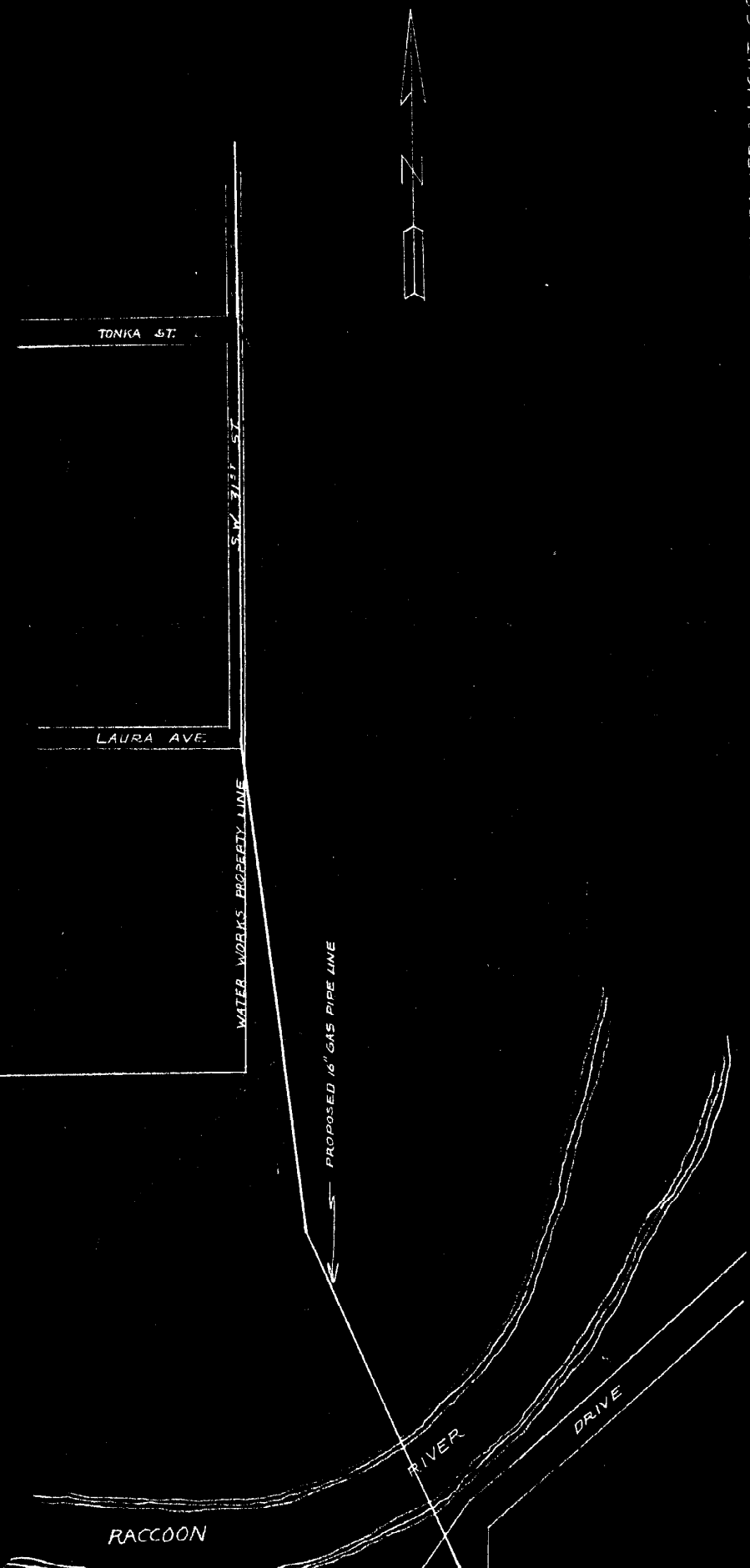
I, Arthur Johnson, City Clerk of the City of Des Moines, Iowa, do hereby certify that the within and foregoing Easement granted by the Board of Water Works Trustees of the City of Des Moines, unto the Iowa Power and Light Company, was duly approved by the City Council of said City of Des Moines by Resolution and Roll Call No. 656, passed on the 4th day of June, 1951, and this certificate is made pursuant to authority contained in said Resolution.

Signed this 4th day of June, 1951.



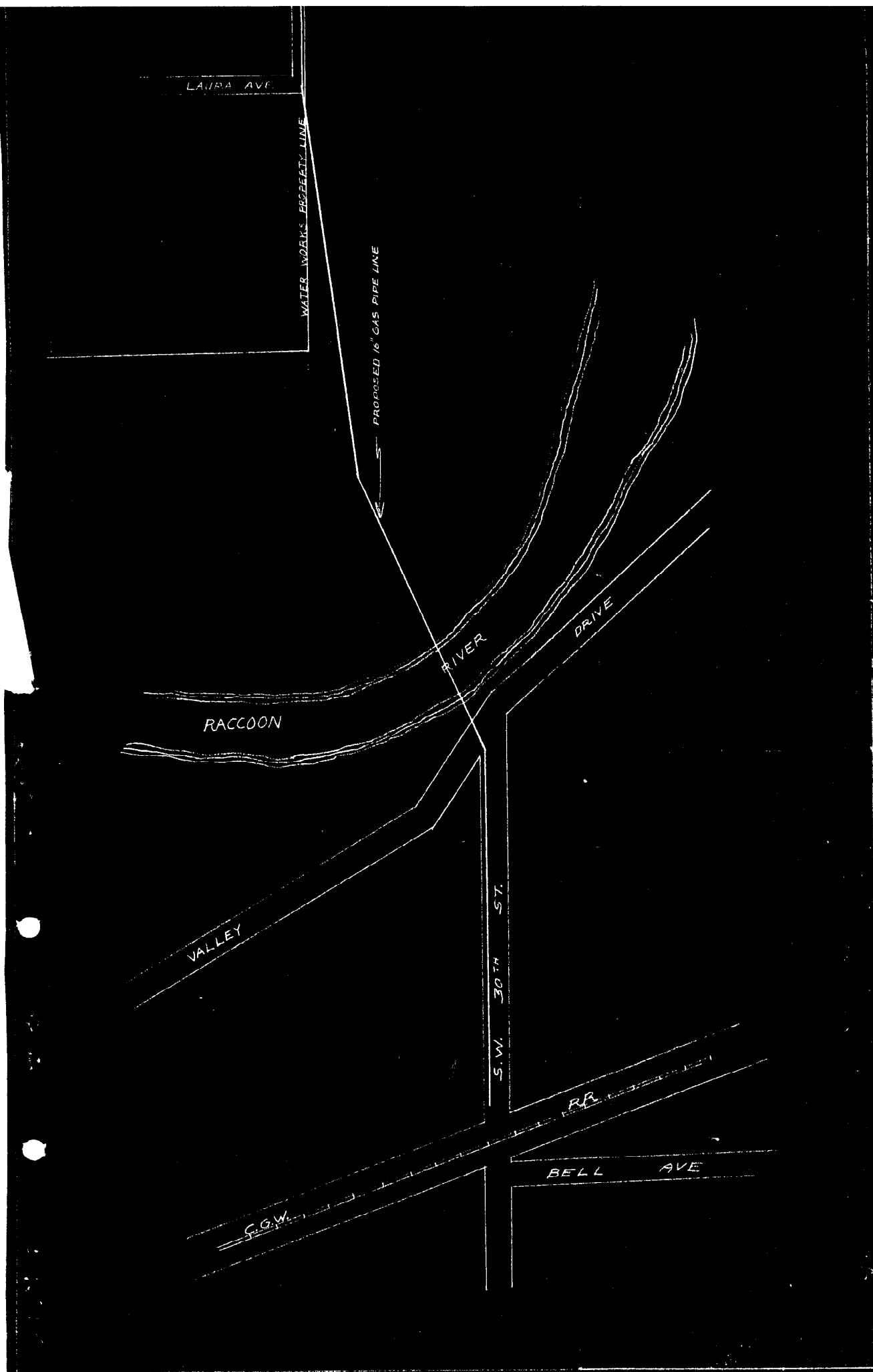
City Clerk of the City of Des Moines

BOOK 2436 PAGE 575



IOWA POWER & LIGHT CO.
PROPOSED 16" GAS PIPE LINE
THROUGH DES MOINES WATER WORKS
SCALE: 1"=200' DATE: 1-26-57

RACCOON



Comparison

~~Expenditure~~
Board of Water Works
Director

Down Power
and Right Company

ROLL COUNTY, IOWA
FILED FOR RECORD
JUN 8 1951 P. M.
AGNES GIBSON, Recorder
Deputy

East
Orange
2436
571

Henry Reed
Leeds, near Leeds,
3.60
8

Prepared by and return to: Eric Woosley 515-281-2914
MIDAMERICAN ENERGY ATTN: RIGHT-OF-WAY SERVICES PO Box 657 Des Moines, IA 503-0657

**AMENDMENT TO MIDAMERICAN ENERGY COMPANY
UNDERGROUND GAS EASEMENT**

Folder No.	<u>100240</u>	State of	<u>Iowa</u>	
Work Req. No.	<u>DR2835818</u>	County of	<u>Polk</u>	
Project No.	<u>A5655</u>	Section	<u>18</u>	
		Township	<u>78</u>	North
		Range	<u>24</u>	West of the 5 th P.M.

BOARD OF WATER WORKS, TRUSTEES OF THE CITY OF DES MOINES, IOWA, ITS SUCCESSORS AND ASSIGNS ("Trustees"), and **MIDAMERICAN ENERGY COMPANY, ITS SUCCESSORS AND ASSIGNS**, as successor in interest to Iowa Power and Light Company ("Company"), hereby agree to amend the Underground Gas Easement dated May 29, 1951, and recorded on June 8, 1951 in the official records of Polk County, Iowa, in Book 2436 Pages 571-576 and as amended under Modification of Easement dated November 5, 1954 (the "Easement") as follows:

1. The land description appearing in the Modification of Easement dated November 5, 1954 is hereby deleted in its entirety and replaced with the following:

EASEMENT AREA:

A 20' wide underground gas easement as generally depicted on Exhibit "A", attached hereto and made a part hereof.

2. A new Section 9 is hereby added, and shall read in its entirety as follows:

9. Company shall have the right, when necessary, to remove from the Easement Area described above, any obstructions, including but not limited to, trees, plants, undergrowth, buildings, fences and structures that interfere with the proper operation and maintenance of such pipe line; provided, however, that the Trustees shall retain the rights to the use of the surface of the Easement Area, subject to the requirements outlined in Section 7. Additionally, Trustees shall not make changes in ground elevation without written permission from Company indicating that the ground elevation changes will not result in inadequate or excessive ground cover, or otherwise interfere with the Company's rights to operate and maintain its pipe line.

3. A new Section 10 is hereby added, and shall read in its entirety as follows:

10. Trustees certifies that it is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and are not engaged in this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Trustees hereby agrees to defend, indemnify and hold harmless Company from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certification.

4. A new Section 11 is hereby added, and shall read in its entirety as follows:

11. Each of the provisions of this easement shall be enforceable independently of any other provision of this easement and independent of any other claim or cause of action. In the event of any matter or dispute arising out of or related to this easement, it is agreed between the parties that the law of the jurisdiction and location where this easement is recorded (including statute of limitation provisions) will govern the interpretation, validity and effect of this easement without regard to the place of execution or place of performance thereof, or any conflicts or law provisions. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS EASEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

This Amendment shall become effective _____, 2021. Except as herein amended all other terms and conditions of the Easement shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment is executed by authorized representatives of Grantor and Grantee signing in the space provided below.

Board of Water Works Trustee

By: _____

Name

Printed: Graham R. Gillette

Title: Board Chair

By: _____

Name

Printed: Ted Corrigan

Title: Chief Executive Officer and General Manager

ACKNOWLEDGMENT

STATE OF IOWA)
) ss
COUNTY OF POLK)

On this ____ day of _____ before me, a Notary Public in and for the State of Iowa, personally appeared Graham R. Gillette and Ted Corrigan to me personally known, and, who being by me duly sworn, did say that they are the Board Chairperson and the Chief Executive Officer and General Manager of the BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, IOWA, that no seal has been procured by the entity ; that the instrument was signed on behalf of the entity by authority of its Board and contained in the resolution adopted by the Board on the ____ day of _____, 2021, and that Graham R. Gillette and Ted Corrigan acknowledged the execution of the instrument to be the voluntary act and deed of the BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, IOWA, by it and by them voluntarily executed.

Notary Public in and for the State of Iowa

MIDAMERICAN ENERGY COMPANY

By: _____

Adam Jablonski

Vice President, Resource Development

ACKNOWLEDGEMENT

STATE OF IOWA)
) ss
COUNTY OF POLK)

This record was acknowledged before me on _____, 2018, by Adam Jablonski as
Vice President, Resource Development for MidAmerican Energy Company.

Signature of Notary Public

EASEMENT EXHIBIT A
NE 1/4, SECTION 18,
T78N, R24W
POLK COUNTY, IA.

GAS PIPELINE EASEMENT LEGAL DESCRIPTION

An easement for gas pipeline purposes over, under and across the Northeast Quarter (NE1/4) of Section Eighteen (18), Township Seventy-eight North (T78N), Range Twenty-four West (R24W), Des Moines, Polk County, Iowa.

Aforesaid easement is Twenty (20.00) feet wide and lies Ten (10.00) feet on each side of, the following described centerline:


Commencing at the Northwest corner of the Northeast Quarter (NE1/4) of aforesaid the Northeast Quarter (NE1/4); thence S89°56'29"E Seventeen and Thirty-three Hundredths (17.33) feet along the North line of said the Northeast Quarter (NE1/4) to the point of beginning; thence S04°01'36"E Ninety-two and Sixteen Hundredths (92.16) feet; thence S06°41'26"E Five Hundred One and Sixty-nine Hundredths (501.69) feet; thence S11°01'09"E Three Hundred One and Ninety Hundredths (301.90) feet; thence S15°20'52"E Four Hundred Three and Eleven Hundredths (403.11) feet to the North Bank of the Raccoon River and to the point termination containing 0.60 acres.

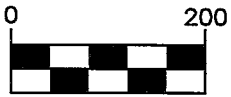
The sidelines of said easement shall be lengthened and /or shortened to terminate at said North Bank, aforesaid North line and as needed to provide a continuous strip.

Subject to valid easements, if any.

TRACT
OWNER OF RECORD
CITY OF DES MOINES
& DES MOINES WATER WORKS

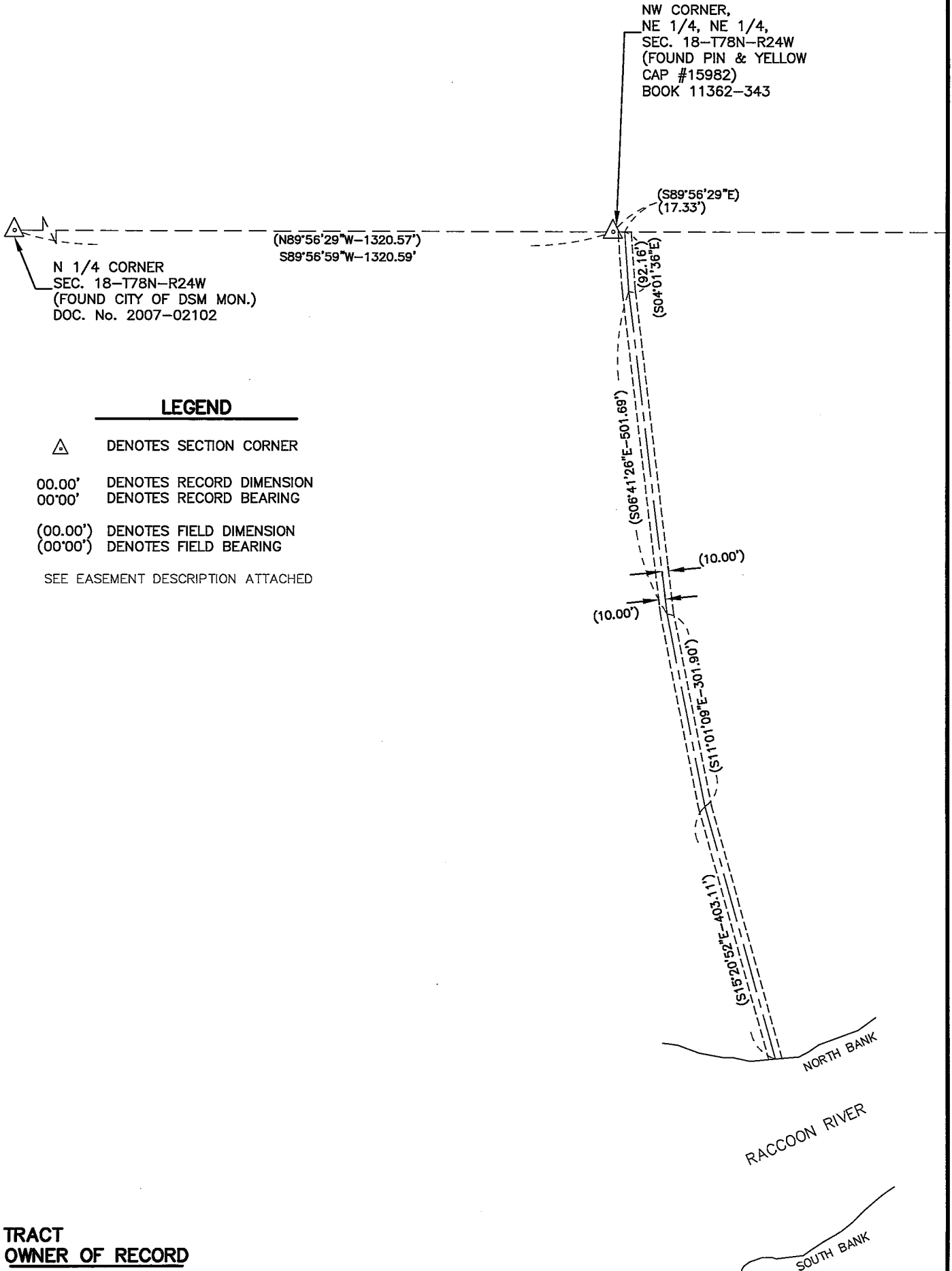
SEE EASEMENT DRAWING ATTACHED

 MidAmerican Energy Co.	Revision - Description			By	App.	DES MOINES HP 16" NATURAL GAS PIPELINE
CADD:						RACCOON RIVER CROSSING SECTION 18-T78N-R24W DES MOINES, POLK COUNTY, IOWA EXHIBIT A - PAGE 1 OF 2
Dr. By		Date				
DLS		08-17-2020				
GEO PARCEL :						
Wayne Claassen Engineering and Surveying, Inc.						
2705 University Avenue · P.O. Box 898 · Waterloo, Iowa 50701 Phone: (319) 235-6294 Fax: (319) 235-0028						



1 INCH = 200 FEET

EASEMENT EXHIBIT A
NE 1/4, SECTION 18,
T78N, R24W
POLK COUNTY, IA.



LEGEND



DENOTES SECTION CORNER

00.00' DENOTES RECORD DIMENSION
00°00' DENOTES RECORD BEARING

(00.00') DENOTES FIELD DIMENSION
(00°00') DENOTES FIELD BEARING

SEE EASEMENT DESCRIPTION ATTACHED

TRACT
OWNER OF RECORD

CITY OF DES MOINES
& DES MOINES WATER WORKS

MidAmerican Energy Co.

Wayne Claassen Engineering and Surveying, Inc.

2705 University Avenue • P.O. Box 898 • Waterloo, Iowa 50701
Phone: (319) 235-6294 • Fax: (319) 235-0028

Revision - Description By App.

CADD:

Dr. By Date

GEO PARCEL :

DLS 08-17-2020

DES MOINES HP
16" NATURAL GAS PIPELINE

RACCOON RIVER CROSSING
SECTION 18-T78N-R24W
DES MOINES, POLK COUNTY, IOWA

EXHIBIT A - PAGE 2 OF 2

EASEMENT EXHIBIT A
NE 1/4, SECTION 18,
T78N, R24W
POLK COUNTY, IA.

GAS PIPELINE EASEMENT LEGAL DESCRIPTION

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Except right-of-ways.

The sidelines of said easement shall be lengthened and /or shortened to terminate at aforesaid South Bank and as needed to provide a continuous strip.

Subject to valid easements, if any.

TRACT
OWNER OF RECORD
DES MOINES WATER WORKS

SEE EASEMENT DRAWING ATTACHED

 MidAmerican Energy Co.	Revision — DescriptionByApp.			DES MOINES HP 16" NATURAL GAS PIPELINE RACCOON RIVER CROSSING SECTION 18-T78N-R24W DES MOINES, POLK COUNTY, IOWA EXHIBIT A — PAGE 1 OF 2
	CADD:			
	Dr. By	DLS	Date08-17-2020	
Wayne Claassen Engineering and Surveying, Inc. 2705 University Avenue · P.O. Box 898 · Waterloo, Iowa 50701 Phone: (319) 235-6294 Fax: (319) 235-0028	GEO PARCEL :			



1 INCH = 200 FEET

EASEMENT EXHIBIT A
NE 1/4, SECTION 18,
T78N, R24W
POLK COUNTY, IA.

NW CORNER,
NE 1/4, NE 1/4,
SEC. 18-T78N-R24W
(FOUND PIN & YELLOW
CAP #15982)
BOOK 11362-343



N 1/4 CORNER
SEC. 18-T78N-R24W
(FOUND CITY OF DSM MON.)
DOC. No. 2007-02102

(N89°56'29"W-1320.57')
S89°56'59"W-1320.59'

(S89°56'29"E)
(17.33')

(92.16')
(S04°01'36"E)

(S06°41'26"E-501.69')

(S11°01'09"E-301.90')

(S15°20'52"E-403.11')

NORTH BANK

RACCOON RIVER

SOUTH BANK

George Flagg Pkwy
SW 30th St
(10.00')
(368.22')
(S15°20'52"E)

LEGEND



DENOTES SECTION CORNER

00.00' DENOTES RECORD DIMENSION
00°00' DENOTES RECORD BEARING

(00.00') DENOTES FIELD DIMENSION
(00°00') DENOTES FIELD BEARING

SEE EASEMENT DESCRIPTION ATTACHED

TRACT
OWNER OF RECORD
DES MOINES WATER WORKS

MidAmerican Energy Co.

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2705 University Avenue · P.O. Box 898 · Waterloo, Iowa 50701
Phone: (319) 235-6294 · Fax: (319) 235-0028

Revision - Description By App.

CADD:

Dr. By Date
DLS 08-17-2020

GEO PARCEL:

DES MOINES HP
16" NATURAL GAS PIPELINE

RACCOON RIVER CROSSING
SECTION 18-T78N-R24W
DES MOINES, POLK COUNTY, IOWA
EXHIBIT A - PAGE 2 OF 2



DES MOINES WATER WORKS
Board of Water Works Trustees

Agenda Item No. III-D
Meeting Date: January 26, 2021
Chairperson's Signature ☐ Yes ☒ No

AGENDA ITEM FORM

SUBJECT: Request Authorization to Reimburse the City of Des Moines for River Bend and King Irving Sewer Separation – Phase 2A Project

SUMMARY:

- In December 2018, the Board of Water Works Trustees authorized staff to reimburse the City of Des Moines for Water Main Relocations for River Bend and King Irving Sewer Separation – Phase 2A in the amount of \$169,800.00.
- A detention pond located within the city project required the installation of 114 feet of new 8-inch water main to route around the pond. Change Order Items 1.01 to 1.11 are items required for the new water main installation and total \$39,581.86.
- Final bid quantities used for the project were reconciled by the city engineer. Two additional alterations were required in areas where sewer conflicted with existing water main. Two additional hydrant relocations were required due to field conditions. No foundation rock or manufactured sand were required so these items were deducted. These quantity adjustments total \$63,961.00.
- The additional amount for the additional items described above is \$103,542.86.
- The revised project reimbursement amount including these additional items is \$273,342.86.

FISCAL IMPACT:



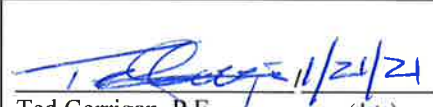
Funds for this project will come from the City of Des Moines Water Main Replacement budget. Following the inclusion of the additional amount of \$103,542.86, the revised project reimbursement to the city will be \$273,342.86.

RECOMMENDED ACTION:

Authorize the staff to reimburse the City of Des Moines River Bend and King Irving Sewer Separation – Phase 2A Project the revised reimbursement amount.

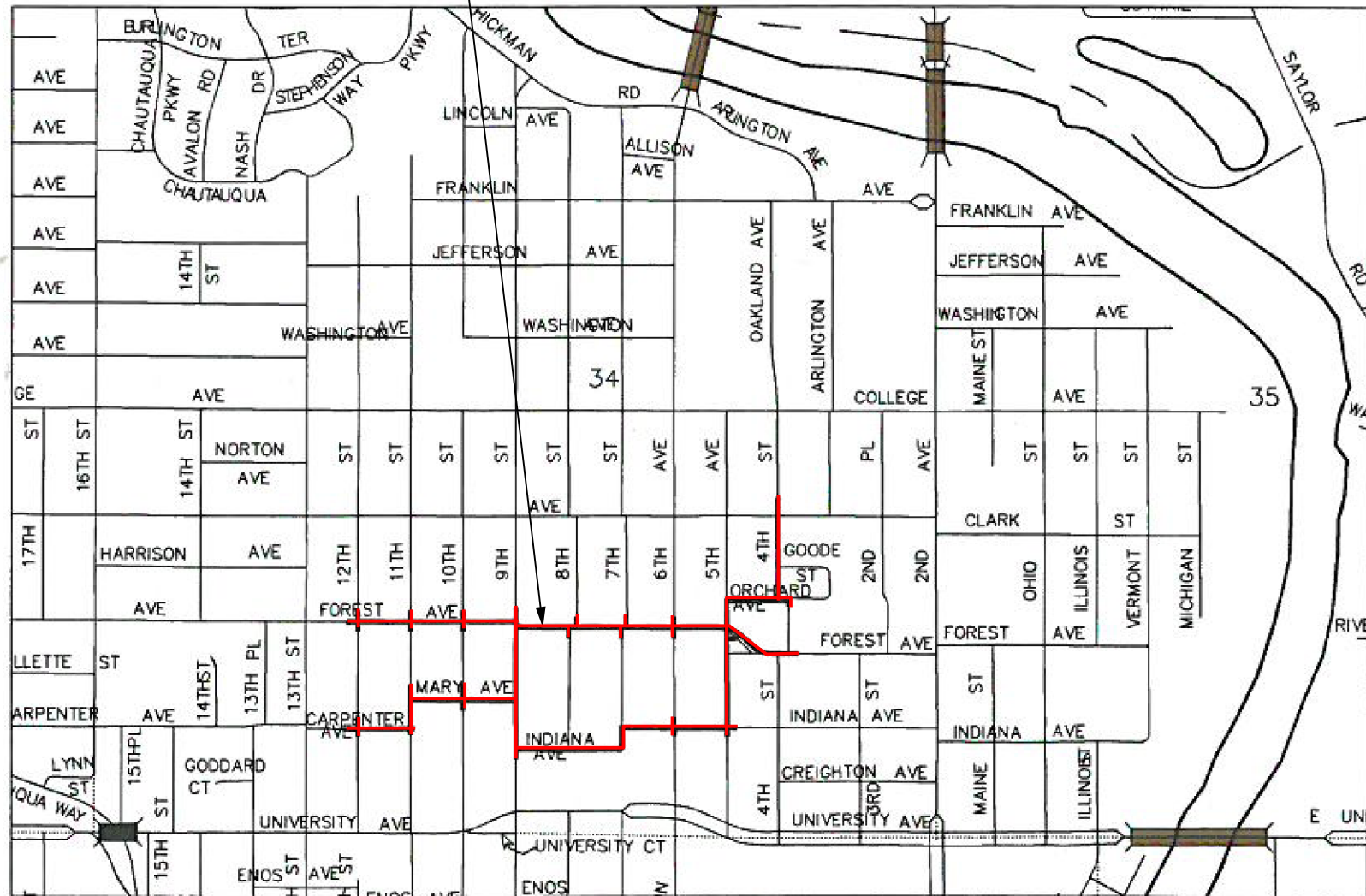
BOARD REQUIRED ACTION:

Motion to authorize staff to reimburse the City of Des Moines River Bend and King Irving Sewer Separation – Phase 2A Project in the revised amount of \$273,342.86.

 Carla J. Schumacher, P.E. (date) Project Manager	 Michael J. McCurnin, P.E. (date) Director of Engineering Services	 Ted Corrigan, P.E. (date) CEO and General Manager
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Attachments: site map

PROJECT LOCATIONS



VICINITY MAP



NOT TO SCALE

Des Moines
Water Works
Water You Can Trust for Life
 ENGINEERING DEPARTMENT
 Des Moines, Iowa

WATER MAIN RELOCATIONS
 FOR RIVER BEND - KING IRVING
 SEWER SEPARATION - PHASE 2A

AGENDA ITEM FORM

SUBJECT: Request Authorization to Solicit Bids for Nitrate Removal Facility Crawlspace Renovation and Establish the Date of the Public Hearing as the Date of the March 2021 Board Meeting

SUMMARY:

- The Fleur Drive Water Treatment Plant (FDWTP) Nitrate Removal Facility is housed in a building that was constructed over the top of the clearwell structure in the early 1990's. The floor of this building is comprised of structural steel spanning above the clearwell roof which forms an interstice between the two structures referred to as the Nitrate Removal Facility Crawlspace.
- In its original construction, the crawlspace was to be isolated from the clearwell using a rubber membrane commercial roofing system. The membrane has proven to be unsuccessful as a barrier between the two structures. The crawlspace has suffered deterioration from high humidity conditions. Brine leaked from treatment operations has passed beneath the membrane to reside on top of the clearwell structure. These conditions have created a corrosive environment for the steel framing and reinforced concrete resulting in widespread corrosive deterioration.
- The purpose of this project is to restore and reconstruct the crawlspace using material systems that are better suited for the aggressive crawlspace environment.
 1. Steel Framing Protection: The structural steel framing will be cleaned and coated with a special metallic coating comprised of zinc and aluminum that is applied via a system referred to as thermal arc spray. The finish is a form of galvanizing with a much longer service life than paint systems. This process has been successfully used to protect steel bridges and marine structures.
 2. Adhered Isolation Barrier: The damaged existing rubber membrane will be removed and supplanted with a fully adhered resinous flooring system comprised of epoxy and sand aggregate. The selected epoxy system has been NSF certified for contact with potable water and will provide a tough continuous barrier between the crawlspace and concrete roof of the clearwell.
- The Nitrate Removal Facility Crawlspace has been a perennial challenge to prevent corrosion and deterioration to structure supported by the steel framing. This project is aimed at stabilizing the base structure to stop it from corroding to a level of structural deficiency.
- The cost estimate for this project has been established at \$609,000.

FISCAL IMPACT:

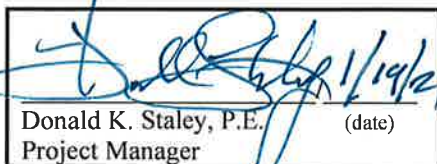
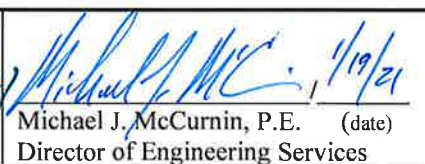
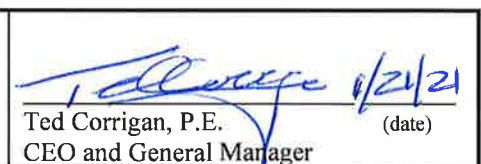
Funds for this project will come from funds carried over from the 2020 Facility Management Capital Budget.

RECOMMENDED ACTION:

Authorize staff to solicit bids for Nitrate Removal Facility Crawlspace Renovation and Establish the Date of Public Hearing as the Date of the March 2021 Board Meeting.

BOARD REQUIRED ACTION:

Motion to authorize staff to solicit bids for Nitrate Removal Facility Crawlspace Renovation and Establish the Date of Public Hearing as the Date of the March 2021 Board Meeting.

 Donald K. Staley, P.E. (date) 1/19/21 Project Manager	 Michael J. McCurnin, P.E. (date) 1/19/21 Director of Engineering Services	 Ted Corrigan, P.E. (date) 1/21/21 CEO and General Manager
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Attachments: none

AGENDA ITEM FORM

SUBJECT: Appointment of Board Members to External Boards and Committees of the Board of Trustees

SUMMARY:

Graham Gillette, Chair of the Board of Water Works Trustees, appoints Board members to serve on the following external Boards:

- Central Iowa Regional Drinking Water Commission – Graham Gillette
- Des Moines Water Works Park Foundation:
Representative – Andrea Boulton
Representative – Joel Aschbrenner
(Mike McCurnin serves as an Ex-Officio member)
- Greater Des Moines Botanical Garden – Graham Gillette

Graham Gillette, Chair of the Board of Water Works Trustees, appoints Board members to serve on the following committees of the Board of Trustees:

- Customer Relations Committee – Susan Huppert (Chair), Diane Munns
- Finance and Audit Committee – Joel Aschbrenner (Chair), Susan Huppert
- Planning Committee – Andrea Boulton (Chair), Diane Munns

These appointments will be effective for the calendar year 2021.

FISCAL IMPACT:

None

RECOMMENDED ACTION:

Discussion of committee meeting procedures and the drafting of committee charters.

BOARD REQUIRED ACTION:

No action required.

<div style="border-bottom: 1px solid black; width: 80%; margin: 5px auto;"></div>	<div style="border-bottom: 1px solid black; width: 80%; margin: 5px auto;"></div>	<div style="text-align: right;"> Ted Corrigan, P.E. CEO and General Manager </div> <div style="text-align: right; margin-top: 10px;"> <u>1/24/21</u> (date) </div>
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Attachment: Board Policy Manual Excerpt

BOARD POLICY MANUAL

SECTION 2 BOARD OF TRUSTEES

209 Committees.

209.1 Appointment of Committees. The Chairperson, or the Board, may appoint committees of Members of the Board of Trustees as needed to facilitate the work of the Board of Trustees. Duties of the committees will be outlined at the time of appointment or in these Rules. Committees shall consist of at least two members of the Board, but any member of the Board may attend and participate at any meeting of any committee. The Chairperson, or the Board, may appoint non- members of the Board to serve on any committee in an advisory capacity, temporarily or on an on-going basis. Such advisory committee members serve at the pleasure of the Chairperson or the Board.

The committees of the Board of Trustees shall include:

Planning Committee
Finance and Audit Committee
Customer Relations Committee

209.2 Planning Committee. The Planning Committee shall consist of two appointed members and shall be responsible for initial review and discussion of matters related to strategic and operational plans, policies, and procedures including but not limited to facility, resource, and contingency planning.

209.3 Finance and Audit Committee. The Finance and Audit Committee shall consist of two appointed members and shall be responsible for initial review and discussion of matters related to revenues, expenses, rates, and financial reporting, including but not limited to the annual budget, rates setting, and audits of financial statements of the utility.

209.3A Customer Relations Committee. The Customer Relations Committee shall consist of two appointed members and shall be responsible for review and oversight of customer-related policy; maintaining a strong relationship between the Board and wholesale or large commercial/industrial customers; working with suburban communities and water districts to provide appropriate input and representation on matters pertaining to rate setting and capital improvements.

209.4 Committee Meeting. Meetings of committees shall be conducted as open meetings with notice to the public and minutes kept in accordance with the procedures of Chapter 21, Iowa Code. Audio recordings shall be made and posted of committee meetings, but video recordings shall not ordinarily be made.

209.5 Limitation. No part of the authority of the Board of Trustees to take action shall be delegated to any committee, but each committee shall provide such information, make such reports, and make such recommendations for action to the Board of Trustees as such committee shall determine to be appropriate.

AGENDA ITEM FORM

SUBJECT: Appointment of Treasurer to the Board of Water Works Trustees

SUMMARY:

- After 25 years of service, Peggy Freese, CFO and Treasurer to the Board of Water Works Trustees, will be retiring from Des Moines Water Works on February 1, 2021.
- Amy Kahler will fill the position of Chief Financial Officer for the utility and therefore it is proposed that she also assume the role of Treasurer to the Board of Water Works Trustees effective January 30, 2021.
- Section 208.4 of the Board Policy Manual states that "The Chief Financial Officer of the Des Moines Water Works shall be the Board of Trustees Treasurer."

FISCAL IMPACT:

None

RECOMMENDED ACTION:

Appoint Amy Kahler, CFO, as Treasurer to the Board of Water Works Trustees effective January 30, 2021.

BOARD REQUIRED ACTION:

Motion to appoint Amy Kahler, CFO, as Treasurer to the Board of Water Works Trustees effective January 30, 2021.

		
		Ted Corrigan, P.E. CEO and General Manager

1/21/21
(date)

Attachments: None

AGENDA ITEM FORM

SUBJECT: Information Items

SUMMARY:

- A. Board Committee Reports
 - Planning Committee
 - Finance and Audit Committee
 - Customer Relations Committee
 - Bill Stowe Memorial Committee
 - Greater Des Moines Botanical Garden Board
 - Des Moines Water Works Park Foundation Board
- B. Staff Updates
 - External Affairs
- C. CEO and General Manager's Comments
 - COVID-19 Response
 - 2021 Utility Goals
- D. Contract Status and Professional Services Agreements
- E. December 2020 Lien Certifications and Reversals

FISCAL IMPACT:


No impact to the budget.

RECOMMENDED ACTION:

For review and discussion.

BOARD REQUIRED ACTION:

Review and discussion.

_____ / _____ (date)	_____ / _____ (date)	 Ted Corrigan, P.E. CEO and General Manager
		1/24/21 (date)

Attachments: Des Moines Water Works Park Foundation Executive Summary, Board Minutes; Contract Status and Professional Services Agreements Spreadsheets

January 18, 2021



Updates from the Des Moines Water Works Park Foundation

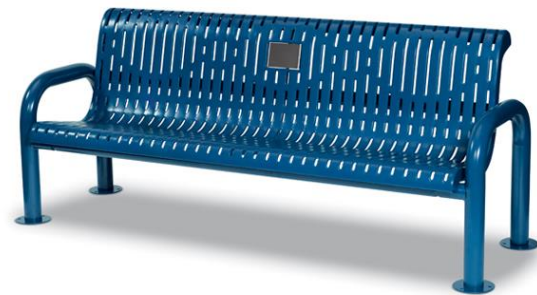
The Campaign/Development:

The finishing campaign is working to raise an additional \$2M and a new campaign piece is going to the printer later this week. Plans are to finish the campaign by June.

Park Construction

We have had some brisk sales in rings and benches and will plan installs in the spring. We will be reviewing some possible amphitheater weatherization options next week.

Programming



Programming plans continue to move forward cautiously and with COVID spread prevention in mind. Some event guidelines will continue to unfold as the pandemic situation evolves over the next three months. Several of our programming partners indicated in our survey that they would like to continue to develop and provide virtual/video content for park users.

December (End of Year) financials are still being finalized and will not be available until February, however the January Board Meeting minutes are attached.

DES MOINES WATER WORKS PARK FOUNDATION
Board of Directors Meeting
Friday, January 8, 2021 – 12:00 – 1:15
Minutes



In Attendance: Amy Jennings, Chad Rasmussen, Jen Cross, Ardis Kelley, Jason Stone, Jon Koehn, Matt Van Loon, Soumya Bhattacharya, PJ Hamlen

Guests/Staff: Josh Faber – RGI, Randy Reichardt, Cassandra Halls & Sam Carrell – DMWWPF, Mike McCurnin – DMWW

I. Call to Order/President's Comments & Welcome/Affirm Agenda

Jennings called meeting to order at 12:01

II. Approve Minutes

Motion: Hamlen **Second:** Kelley **APPROVED**

III. Finance Report – Ardis Kelley

Ardis explained importance of year end with audits so will take a little bit longer to get them finished up so we won't be reviewing December Financials yet. Noted Flynn had previously reported on November financials but wanted to get us back into habit of accepting financials, so Kelley asked for a motion to accept the November financials.

Motion: Hamlen **Second:** Bhattacharya **ACCEPTED**

Kelley also reported she will start meeting with Carrell on a weekly basis until she is fully comfortable with all processes, etc. While we don't have December Financials, we can report the following:

- Just notified we applied and received a relief grant for \$17,700 from the Iowa Arts Council
- \$200,000 pledge payments in December
- \$15k plus in bench/rings purchases

Stone asked about any success on some other Federal sources. Halls reported that she had just received an update on our eligibility and will pass info on to Carrell.

IV. Discussion items

- Finishing Campaign Update: Josh Faber – RGI
- Jennings introduced Faber who walked BOD through presentation explaining RGI's role, the board's role and the process we will go through. Reviewed work in December re: reviewing past prospects and identifying new ones. Updating solicitation materials. Expounded on Role of Board and importance of Relationships, because knowing who has money is not as important as being able to get to them. Success comes from leveraging relationships and technical skills. Reviewed expectations of Board and Board of RGI. Closed with next steps:

1. Regular meetings with Campaign group
 2. Circulate Prospect list to the Board.
 3. Confirm Scope of Campaign.
 4. Materials printed and solicitation training before end of January.
 5. Engage major donors.
 6. Identify user groups for grassroots solicitations this spring.
- **Development:** Randy Reichardt – Reichardt underscored importance of asks big or small. All important and not as intimidating as you think. Jennings mentioned she had asked Faber to add in some additional amounts to cover uncertainty of 2021.
 - **Strategic Planning Approach/Committee Reports** – Amy Jennings/Cassandra Halls. Halls since 2021 may still be a “unique” year so strategic planning process will try and take that into consideration. Looking at First two Fridays in Feb for efforts. Feb 5 and then synopsis on 12th at regularly scheduled BOD meeting. We are basing planning on these assumptions:
 1. Capital expenditures related to the Phase 2 of the Master Plan will be limited, if any.
 2. We can't guarantee a full schedule of concerts and events for the 2021 season at this time.
 3. We are transitioning from being an entrepreneurial organization beyond construction to having greater purpose.
 4. We need to finish the Phase 1 fundraising and get complete the recognition process.
 5. We must ensure the expectations of the public align with the expectations of the Board.

Halls explained how we would be using a different lens for 2021. Feb 5 session – 90 min. Halls to send out invite. Will also share some surveys to do ahead of time, so we don't have to have an 8-hour virtual session.

V. **Goal Progress/Committees/Action Items**

- Governance - Board Nomination: Dara Madigan
Motion: Koehn **Second:** Kelley. **APPROVED**
- Programming – Survey Results/Wild Crick Run – Soumya Bhattacharya
 Bhattacharya reported on the survey results from our partners in Fall Flight and reviewed some of the key points:
 1. The idea of a Park App for more info and navigation.
 2. Lack of Covered Spaces is there a way to provide more.
 3. Opportunity for more Video Content from several of our programming partners.
 Bhattacharya indicated the committee would be further investigating the APP and Covering opportunities.

Carrell shared that we'd been approached with the idea of a "Wild Crick Run" from Chris Burch and the IMT Des Marathon. It would introduce a cross country style race into the park and benefit the foundation. Carrell asked the Board to incorporate it into our Foundation family of programming for a proposed mid July date.

Motion: Rasmussen

Second: Koehn **APPROVED**

- Implementation – Rasmussen – should hear something the end of next week from fabricator re: further weatherizing amphitheater.

VI. Announcements

VII. Adjourn The meeting was adjourned at 1:11 pm

Motion: Bhattacharya **Second:** Koehn **APPROVED**

Upcoming Events:

Strategic Planning Retreat – Feb 5th – 12:00 – 1:30

February Board Meeting – Feb 12th – 12:00- 1:30

MEMORANDUM

DATE: January 20, 2021

TO: Ted Corrigan, CEO and General Manager

FROM: Mike McCurnin, Director of Engineering Services
Jenny Puffer, Director of Water Distribution
Jennifer Terry, External Affairs Manager
Kyle Danley, Chief Operating Officer

SUBJECT: **2021 Utility Goals**

In 2021, the utility will undertake important initiatives. At your request, we have identified three of those initiatives as primary areas of focus for the year. The goals we have developed for 2021 are shown below. In addition, safety will continue to be an area of focus for the utility, specifically...

- **Treatment Expansion Evaluation** – With the Utility now four years removed from the most recent long-range planning effort and with “regionalization” discussions also nearing finality, it is imperative for DMWW to determine the most prudent path forward regarding treatment expansions in the metropolitan area. Initial steps in Q1 shall include an update of the DMWW Long Range Plan 2017 that will evaluate the staging and timing of high priority improvements. The update will be based upon six additional years of consumption data (2015 through 2020) as well as the inclusion of new metropolitan water demands that were not known at the time of the 2017 report. Q2 and Q3 of the year shall see the completion of an in-depth cost analysis of both the 10 MGD expansion at SWTP and the 12.5 MGD expansion at MWTP that were identified in the 2017 report. The cost analyses shall include the necessary source, treatment, and transmission elements to understand the true gain in treatment capacity. Completion of this work will allow DMWW to communicate with confidence the timing, location, rationale, and cost for the next two significant treatment expansions to be completed in the metropolitan area.
- **Response Plan to Lead & Copper Rule Revisions** – In response to the recently revised Lead and Copper Rule, we will complete the following by November 30, 2021:
 - Develop an updated public education and outreach program
 - Work with local schools and childcare facilities to conduct lead testing
 - Prepare a lead service line replacement plan

- **Complete a Five-Year Organizational Strategic Plan** – We will complete a five-year organizational strategic plan on time and within budget. The strategic plan will:
 - Have the full support of our board and senior leadership;
 - Result from a participatory process;
 - Include strategies for communication and management of change;
 - Include an action plan; and
 - Lay out KPI's (Key Performance Indicators).

By Q4 2021, as a result of the strategic planning process, we will adopt:

- Utility Mission Statement that explains who we are and what we value;
 - Utility Vision Statement that states what we want to become; and
 - Utility Values Statement made up of guiding principles in which our staff and board are emotionally invested.
- **Safety** – In 2021, we will improve the safety culture and awareness of safety at DMWW. Using help from the Central Safety Committee, we will encourage all staff to complete near-miss reports with a goal of completing a minimum of 100 near miss reports in 2021. Also, in 2021 we will focus on training and awareness to prevent slip, trip, and fall injuries which have resulted in 22% of our injuries over the past 11 years.

COMPETITIVE BIDS CONTRACT STATUS FOR JANUARY 2021

Saylorville Water Treatment Plant RO Unit No. 4 Installation	Construction complete - contractor completing punch list items	Contractor Notice to Proceed Original Contract Sum Net Change by Change Orders Contract Sum to Date Total Completed to Date Anticipated Completion Date	The Waldinger Corporation 2/14/2019 \$513,616.00 \$35,720.00 \$549,336.00 \$541,467.45 Jan-21
Polk County Pumping Station - Storage Tank Fill Line	Connections for new storage tank fill line piping to existing piping system were completed in the first half of November. Final surface work underway.	Contractor Notice to Proceed Original Contract Sum Net Change by Change Orders Contract Sum to Date Total Completed to Date Anticipated Completion Date	Rognes Corp 7/16/2019 \$463,690.00 \$74,452.13 \$538,142.13 \$447,493.88 Feb-21
Presdimentation Basins - Valve Replacement	Project has been deferred to a future date due to Contractor's inability to receive critical components of new equipment.	Contractor Notice to Proceed Original Contract Sum Net Change by Change Orders Contract Sum to Date Total Completed to Date Anticipated Completion Date	The Waldinger Corporation 3/16/2020 \$1,427,530.00 \$68,793.00 \$1,496,323.00 \$28,150.60 no later than Mar-22
2020 Well Rehabilitation - McMullen Water Treatment Plant	Construction in progress	Contractor Notice to Proceed Original Contract Sum Net Change by Change Orders Contract Sum to Date Total Completed to Date Anticipated Completion Date	BCI Water Resources Group, Inc. 7/20/2020 \$1,053,975.00 \$0.00 \$1,053,975.00 \$238,022.50 May-21
NW 26th Street Booster Station	Construction in progress	Contractor Notice to Proceed Original Contract Sum Net Change by Change Orders Contract Sum to Date Total Completed to Date Anticipated Completion Date	Henkel Construction Company 8/14/2020 \$1,533,000.00 \$2,795.93 \$1,535,795.93 \$383,065.72 Apr-21
2020 Des Moines Water Main Replacement - Contract 2	Construction in progress	Contractor Notice to Proceed Original Contract Sum Net Change by Change Orders Contract Sum to Date Total Completed to Date Anticipated Completion Date	S.M. Hentges & Sons, Inc. 10/5/2020 \$632,839.55 \$13,457.39 \$646,296.94 \$630,469.62 Jan-21

Item IV-D

Highway G14 Feeder Main

Construction in progress

Contractor	On Track Construction, LLC
Notice to Proceed	10/7/2020
Original Contract Sum	\$1,264,264.00
Net Change by Change Orders	\$0.00
Contract Sum to Date	\$1,264,264.00
Total Completed to Date	\$820,726.47
Anticipated Completion Date	Mar-21

Gallery Valve Chamber Structures Reconstruction

Notice to proceed pending

Contractor	Synergy Contracting, LLC
Notice to Proceed	pending
Original Contract Sum	\$432,770.00
Net Change by Change Orders	\$0.00
Contract Sum to Date	\$432,770.00
Total Completed to Date	\$0.00
Anticipated Completion Date	Jun-21

COMPETITIVE QUOTATIONS CONTRACT STATUS FOR JANUARY 2021

Contractor	
Date of Contract	
Notice to Proceed	
Original Contract Sum	
Net Change by Change Orders	
Contract Sum to Date	\$0.00
Total Completed to Date	
Anticipated Completion Date	

PROFESSIONAL SERVICES AGREEMENTS

[illegible]