

MEETING
Board of Water Works Trustees
Des Moines Water Works
October 26, 2021
2201 George Flagg Parkway
3:30 p.m.

Join Zoom Meeting
<https://us02web.zoom.us/j/85839244447?pwd=cmp5WlJiTzhtb29jMFFKaENKaTZ0QT09>
Meeting ID: 858 3924 4447
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Decision Agenda

I. Consent Agenda:

- A. Minutes, September 28, 2021, Board of Water Works Trustees Meeting
Minutes, October 12, 2021, Finance and Audit Committee Meeting
- B. Financial Statements
- C. List of Payments for September 2021
- D. Summary of CEO-Approved Expenditures in Excess of \$20,000
- E. Next Meeting Date – November 23, 2021

II. Public Comment Period:

III. Action Items:

- A. 2022 Employee Benefit Insurance Renewals
- B. 2022 Corporate Insurance
- C. Receive and File Cost of Service Report
- D. Approval of Proposed 2022 Water Rates
- E. Proposed 2022 Budget – Establish Public Hearing as the Date of the November 2021 Board Meeting
- F. Resolution Authorizing the Redemption of Outstanding Water Revenue Refunding Bonds, Series 2012A, dated October 30, 2012
- G. Resolution Authorizing the Redemption of Outstanding Water Revenue Refunding Bonds, Series 2012B, dated October 30, 2012
- H. Acceptance of Highway G14 Feeder Main

- I. Joint Eastside Booster Station Hypochlorite Feed System
 - 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
- J. Request Authorization to Solicit Bids for L.P. Moon Pumping Station - Pump No. 8 and Establish the Date of the Public Hearing as the Date of the November 2021 Board Meeting
- K. Polk County Water and Land Legacy Bond
- L. Legal Services
- M. Regionalization Discussion

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. Drake University Research Update
- C. Staff Updates:
 - External Affairs
- D. CEO and General Manager's Comments
- E. Contract Status and Professional Services Agreements

OSHA Recordable Injuries YTD: 4	
Caught Between:	1
Hearing Loss:	1
Strain:	2

V. Adjournment

Schedule of Board Activities – November and December Time: 3:30 p.m.		
<u>Date</u>	<u>Location</u>	<u>Meeting</u>
November 2	Board Room & Virtual	Planning Committee, followed by Customer Relations Committee
November 9	Board Room & Virtual	Finance and Audit Committee
November 23	Board Room & Virtual	Board of Water Works Trustees
December 7	Board Room & Virtual	Planning Committee, followed by Customer Relations Committee
December 14	Board Room & Virtual	Finance and Audit Committee
December 21	Board Room & Virtual	Board of Water Works Trustees

**MINUTES OF CALLED MEETING OF THE BOARD OF WATER WORKS TRUSTEES
PURSUANT TO NOTICE
Tuesday, September 28, 2021**

Present (or Participating by Video or Audio Conference Link):

Board Members: Chairperson Mr. Graham Gillette, presiding; Mr. Joel Aschbrenner (who joined in progress), Ms. Susan Huppert and Ms. Diane Munns

Staff members: Jessica Barnett, Pat Bruner, Wally Burgin, Nathan Casey, Ted Corrigan, Kyle Danley, Doug Garnett, Donna Heckman, Leah Heim, Amy Kahler, Mike McCurnin, Jenny Puffer, Laura Sarcone, Jennifer Terry, and Michelle Watson

Also in attendance: Ryan Crane and Luke Hoffman (Polk County Water and Land Legacy), John Lande (legal counsel), and Melissa Walker (MW Media Consultants, LLC)

Mr. Gillette called the meeting to order at 3:30 p.m.

Consent Agenda

A motion was made by Ms. Munns, seconded by Ms. Huppert, to approve Consent Items A, B, C, D, and E (Approval of Minutes, August 24, 2021, Board of Water Works Trustees Meeting; Minutes, September 7, 2021, Planning Committee Meeting; Minutes, September 14, 2021, Finance and Audit Committee Meeting; Minutes, September 14, Board of Water Works Trustees Meeting; Receipt and filing of the financial statements for audit purposes; Approval of Payments for August 2021; Approval of Summary of CEO-Approved Expenditures in Excess of \$20,000; and Approval of October 26, 2021, as the next meeting of the Board of Water Works Trustees). Upon roll-call vote, the motion was adopted, with Mr. Gillette, Ms. Huppert and Ms. Munns voting in favor of the motion.

Mr. Aschbrenner joined the meeting in progress at 3:34 p.m.

Public Comment Period

Ryan Crane and Luke Hoffman, representatives from Polk County Water and Land Legacy, made a presentation and requested that the Board endorse and financially support their upcoming bond referendum. The existence of legal limits on such matters was noted.

Not to Exceed \$10,000,000 Water Revenue Refunding Bonds

At the August 2021 Board meeting, the Board set the date for the public hearing for a potential refunding as of the September Board meeting. Since that time, staff has received verbal confirmation from all participants to the 2012B bonds that they wish to fund their share of redemption. Staff will be working with the participants in the coming weeks to formally document their intent to redeem their respective shares of the bonds by the 12/1/2021 call date. Bond counsel, Eric Boehlert of Ahlers & Cooney, still recommends the Board proceed with the Public Hearing on the refunding to preserve this option until formal, written resolutions on redemption have been approved by the respective participant councils and boards. The holding of this public hearing is a procedural requirement based on timing and the previously published notice. If all participants fund their redemption, no refunding will be necessary, and a resolution for bond redemption will be presented at the October Board meeting.

After discussion, action was taken by the Board as follows:

Board Member Susan Huppert introduced the following Resolution and moved that the same be adopted. Board Member Joel Aschbrenner seconded the motion to adopt the following Resolution:

**RESOLUTION INSTITUTING PROCEEDINGS TO TAKE
ADDITIONAL ACTION FOR THE ISSUANCE OF NOT TO
EXCEED \$10,000,000 WATER REVENUE REFUNDING
BONDS**

WHEREAS, pursuant to notice published as required by law, the Board of Trustees has held a public meeting and hearing upon the proposal to institute proceedings for the issuance of not to exceed \$10,000,000 Water Revenue Refunding Bonds, in order to provide funds to pay the costs of refunding outstanding water obligations, including the Water Revenue Bonds, Series 2012B, and has considered the extent of objections received from residents or property owners as to the proposed issuance of Bonds; and accordingly the following action is now considered to be in the best interests of the City and residents thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, STATE OF IOWA:

Section1. That this Board does hereby institute proceedings and take additional action for the authorization and the issuance in the manner required by law of not to exceed \$10,000,000 Water Revenue Refunding Bonds, for the foregoing purposes.

A roll-call vote was taken and the vote was,

AYES: Joel Aschbrenner, Graham Gillette, Susan Huppert, and
Diane Munns

NAYS: None

Whereupon, the Chairperson declared the measure duly adopted.

Award Des Moines River Intake Roof Structure Modifications

A Public Hearing was opened by Chairperson Gillette for comments from the public regarding the form of contract, plans and specifications, and estimated cost for the Des Moines River Intake Roof Structure Modifications project. Receiving no oral or written comments, the Public Hearing was closed.

A motion was made by Ms. Munns for adoption of the form of contract, plans and specifications, and estimated cost for the Project as prepared. The motion was seconded by Mr. Aschbrenner. Upon roll-call vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

An analysis of the bids received was presented and considered.

A motion was made by Mr. Aschbrenner, seconded by Ms. Huppert, to award the Des Moines River Intake Roof Structure Modifications Contract to Henkel Construction Company, in the amount of \$311,000, and authorize the Chairperson and CEO and General Manager to execute the contract. Upon roll-call vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

Award 2021 Des Moines Water Main Replacement Contract 4 – Indianola Avenue

A Public Hearing was opened by Chairperson Gillette for comments from the public regarding the form of contract, plans and specifications, and estimated cost for the 2021 Des Moines Water Main Replacement Contract 4 – Indianola Avenue project. Receiving no oral or written comments, the Public Hearing was closed.

A motion was made by Ms. Munns for adoption of the form of contract, plans and specifications, and estimated cost for the Project as prepared. The motion was seconded by Ms. Huppert. Upon roll-call vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

An analysis of the bids received was presented and considered.

A motion was made by Mr. Aschbrenner, seconded by Ms. Huppert, to award the 2021 Des Moines Water Main Replacement Contract 4 – Indianola Avenue Contract to J&K Contracting, LLC, in the amount of \$678,678 and authorize the Chairperson and CEO and General Manager to execute the contract. Upon roll-call 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 Joint Eastside Booster Station Hypochlorite Feed System and Establish the Date of the Public Hearing as the Date of the October 2021 Board Meeting

This project pertains to installing an Iowa DNR recommended injection system to maintain chlorine concentration above a prescribed level at the Joint Eastside Booster Station. There have been several chlorine low-level events in the past where the level dropped significantly at the Joint Eastside Booster Station. Currently, there is no sodium hypochlorite injection system to boost the chlorine residual level as needed. The basic scope of project is to install a new sodium hypochlorite bulk storage tank, chemical feed system, quill injection system, relocation of instrumentation and other equipment from the top floor to the basement area of the facility, installation of additional electrical unit heaters, and installation of a new shower and eyewash station.

A motion was made by Ms. Munns, seconded by Mr. Aschbrenner, to authorize staff to solicit bids for Joint Eastside Booster Station Hypochlorite Feed System and establish the date of the public hearing as the date of the October 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, who is identified above as present, voting in favor of the motion.

Request Permission to Issue Purchase Order for Replacement RO Membranes for Saylorville Water Treatment Plant

Reverse osmosis membranes were replaced in all three treatment skids at the Saylorville Water Treatment Plant in 2016 and are nearing the end of their three-year operational life. One skid of elements was replaced in July of 2019, and another was replaced in January of 2020. Staff has determined it is time for replacement of a third skid of elements in early 2022. Quotations were received from three vendors for the purchase of 294 replacement RO membranes (the number needed for one skid). The quotations included a standard 3-year manufacturer's pro-rated warranty and freight costs. Staff recommended accepting the lowest cost response submitted by Consolidated Water Solutions.

A motion was made by Mr. Aschbrenner, seconded by Ms. Huppert, to authorize staff to issue a Purchase Order in the amount of \$138,180 to Consolidated Water Solutions for purchase of replacement reverse osmosis membranes, with a 3-year pro-rated warranty, for the Saylorville Water Treatment Plant. Upon roll-call vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

Request Permission to Issue Purchase Order for Saylorville Water Treatment Plant Ultra-Filtration Membranes Replacement

The performance of ultra-filtration (UF) membranes at the Saylorville Water Treatment Plant is expected to decline over years of operation, but some of the membranes previously acquired have not been as long-lived as expected. An agreement between DMWW and GE Water & Process Technologies, dated February 20, 2015, provided for compensatory pricing for planned replacement of the original 840 UF modules and defined pricing and discounts for acquisition of additional modules until the end of 2020. Since that time, Suez Water Technologies & Solutions has acquired GE's membrane products. At this time, one membrane train needs replacement and will be replaced in April 2022. The defined discount pricing, as agreed in 2015, ended as of December 30, 2020. Funds for replacement of 300 modules were allocated in the 2021 Budget.

A motion was made by Ms. Munns, seconded by Mr. Aschbrenner, to authorize staff to issue a Purchase Order in the amount of \$570,600 to Suez Water Technologies & Solutions for ultra-filtration membrane replacement. Upon roll-call vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

Urban Deer Hunt

DMWW staff have worked with several agencies including the IDNR and Polk County Deer Task Force to create Controlled Urban Bow Hunt Guidelines and permits for hunting in Water Works Park. The hunt will take place from Friday October 1, 2021, to Sunday, January 30, 2022. Hunters will identify their target as an antlerless deer, focusing on adult does. Approximately 300 acres have been divided into five hunting zones accommodating eleven hunters for the 2021-2022 hunting season. Hunters are required to submit a permit application and provide proof of the following:

1. IDNR Hunting License
2. Documentation of passing an approved IBEF bowhunter safety education course
3. Proof of completing a national field archery association NFAA archery proficiency test
4. Zone 48 Tag

A motion was made by Ms. Munns, seconded by Mr. Aschbrenner, authorizing the CEO and General Manager to allow controlled bow-hunting to resume in Water Works Park as recommended by the Polk County Deer Task Force. Upon roll-call 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 September 7, 2021, as reflected in the minutes thereof. Mr. Corrigan and Ms. Munns gave a brief summary of the meeting.
- Finance and Audit Committee – A meeting was held on September 14, 2021, as reflected in the minutes thereof. Mr. Aschbrenner gave a brief summary of the meeting.
- Customer Relations Committee – No meeting held in September. Mr. Corrigan gave an update on regionalization. A meeting was recently held with West Des Moines Water Works and Urbandale Water Utility to come to conclusion on the remaining outstanding issues from the series of micro group meetings. Legal Counsel is working on drafting a proposed form of regionalization 28E-28F Agreement.
- Bill Stowe Memorial – Mr. Gillette had no update to report.
- Greater Des Moines Botanical Garden – Mr. Gillette had no update to report.
- Des Moines Water Works Park Foundation Board – Mr. Aschbrenner shared that the Park Foundation held a visioning strategy session last month.

Staff Updates

External Affairs - Ms. Terry provided updates on the water quality, education, public relations, and strategic planning efforts.

CEO and General Manager's Comments

- COVID-19 Update – Mr. Corrigan reported that except for utility-wide mask requirements, DMWW is conducting business as usual.
- Regionalization Update – This update was reported during the Board Committee Reports.

Mr. Corrigan also stated that the ongoing drought continues to affect DMWW as river levels continue to decrease.

Adjournment – Meeting adjourned by unanimous consent.

4:49 p.m. adjourned

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

October 12, 2021

3:30 p.m.

Present (or Participating by Video or Audio Conference Link):

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

Staff Members: Pat Bruner, Nathan Casey, Ted Corrigan, Kyle Danley, Doug Garnett, Donna Heckman, Michelle Holland, Amy Kahler, Mike McCurnin, Jenny Puffer, Laura Sarcone, Jennifer Terry, and Michelle Watson

Also in attendance: Dale Acheson (Urbandale Water Utility), Gary Benjamin (Xenia Rural Water District), Jack Carra (LMC Insurance), Matt McQuillen (City of Clive), Christina Murphy (West Des Moines Water Works), Theresa Rotschafer (City of Johnston), Jim Sanders (City of Johnston)

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

1. Polk County Water and Land Legacy Bond Referendum

Mr. Corrigan noted that representatives from Polk Water and Land Legacy made a presentation at the September 28, 2021, Board meeting and requested that the Board endorse and financially support their upcoming bond referendum. Following the presentation there were questions about the ability of the Board to financially support or officially endorse ballot issues.

Legal counsel has cited Iowa Code Section 68A.505 which provides:

“The state and the governing body of a county, city, or other political subdivision of the state shall not expend or permit the expenditure of public moneys for political purposes, including expressly advocating the passage or defeat of a ballot issue. This section shall not be construed to limit the freedom of speech of officials or employees of the state or of officials or employees of a governing body of a county, city, or other political subdivision of the state. This section also shall not be construed to prohibit the state or a governing body of a political subdivision of the state from expressing an opinion on a ballot issue through the passage of a resolution or proclamation.”

This section clearly prohibits the Board from donating money to the campaign. The Board could, however, pass a resolution in support of the measure.

In 2010, the Board considered a similar request to support passage of a constitutional amendment to establish a Natural Resources and Outdoor Recreation Trust Fund. The Board requested and received a legal opinion that clarified that Water Works funds could not be spent to expressly advocate the passage or defeat of a ballot issue; however, the Board is specifically allowed to express an official opinion on such matters by passage of a Board resolution, which it did at that time.

It was noted that the Board would be at liberty to pass a similar resolution related to the Polk Water and Land Legacy Bond Referendum if it desired to do so.

2. Corporate Insurance Renewals

Mr. Carra discussed the results of LMC’s efforts respecting DMWW coverages, including an overview of the expiring coverages and pricing, as well as proposed 2022 coverages and pricing.

3. Cost of Service Study

Ms. Kahler advised that 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 certain rate structure changes to better align rates with costs of service to various classes of wholesale customer.

Raftelis' Cost of Service Study Report summarizes how revenue requirements are allocated not only to various cost functions, but then also to the various customer classes. The Study assigns costs attributable to peaking based on the demands each customer class places on the system and summarizes the results of budgeted expenses allocated to the various customer classes.

Since components of the cost of service tie directly to proposed 2022 rates and budget, the report should be considered a draft, and any changes to rates or budget based upon discussions at the Finance & Audit Committee Meeting will require revisions to the report prior to final acceptance by the Board.

4. Proposed 2022 Water Rates

Proposed 2022 Water Rates were presented and discussed.

Among other things, staff recommends that DMWW proceed with establishing 2022 purchased capacity wholesale rates based on the recommendations made by Raftelis to include: 1) a fixed monthly availability per Max Day thousand gallons to recover fixed costs, and 2) a volumetric charge per thousand gallons to recover variable costs. DMWW legal counsel's opinion is that the rate changes contemplated are within the bounds of the Master Agreement, but it was noted that West Des Moines Water Works has formally shared a contrary view of the Master Agreement language through its counsel. Consideration of such a change was deferred last year in view of regionalization. Regionalization discussions have progressed but are still underway, and staff recommends that matter be considered and adopted this year.

The 2022 budget has not yet been finalized, but work will be completed over the next several weeks integrating Raftelis' recommendations into the revenue projections. Proposed 2022 rates and a preliminary look at the 2022 Budget will be presented at the October Finance & Audit Committee meeting.

5. Proposed 2022 Budget

The Board of Trustees will set the Public Hearing for the 2022 Budget at the October Board meeting. Ms. Holland reviewed projections for 2022 revenue and additional funding, and for expenses.

She also highlighted department statistics. Total revenue for 2022 is proposed to be budgeted at \$79.6 million, up \$2.4 million compared to the 2021 budget. Water pumpage is proposed to be budgeted at 17.2 billion gallons, an increase of 100 million gallons from the 2021 budget. The 2022 proposed revenue budget reflects recommended rate increases taking effect on April 1, 2022.

Additional funding for 2022 of \$20.3 million includes unspent funds that have been carried over from the prior year's budget, development plan review, other projects funded by outside entities, and projects funded by State Revolving Fund (SRF) proceeds.

Total operating expenses of \$52.8 million are proposed for 2022. This is an increase of \$2.1 million, or 4.2%, from the 2021 budget. Total capital expenditures are proposed at \$45.9 million. The utility's debt service obligations for the year total approximately \$500,000. This assumes that the 2012A & 2012B bonds will be paid off in 2021.

Contribution to operating reserves is proposed at \$700,000 in 2022, to increase the accumulated reserves due to increases in operating expenses.

6. CEO and General Manager's Comments

Mr. Corrigan stated that DMWW is in a position to move some of water treatment plant expansion projects forward in view of the status of ongoing regional discussions. DMWW intends to use State Revolving Fund (SRF) funding to pay for design of these projects in 2022 because there's an understanding that SRF debt can easily be transferred to the regional entity once it is formed.

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

Meeting adjourned at 5:10 p.m.

**DES MOINES WATER WORKS
FINANCIAL STATEMENT COMMENTS
FOR THE MONTH ENDED September 30, 2021**

STATEMENT OF NET POSITION

Below are summaries of financial position and activity for the month of September 2021:

Summary Net Position (in millions)

	Sep 30, 2021	Dec 31, 2020
Cash	\$28.6	\$18.6
Invested Cash	5.0	5.0
Accounts Receivable	11.9	13.0
Operating Reserves	12.3	12.3
Revenue Bond Reserves	7.8	4.9
Other Assets	4.5	5.1
Fixed Assets	569.2	569.2
Less: Accumulated Depreciation	<u>(212.7)</u>	<u>(203.1)</u>
Net Fixed Assets	356.5	366.1
Construction in Progress	<u>15.5</u>	<u>5.7</u>
 Total Assets	 <u>442.0</u>	 <u>430.5</u>
 Deferred Outflows of Resources	 8.0	 8.0
 Total Assets & Deferred Outflows of Resources	 <u>450.0</u>	 <u>438.5</u>
 Current Liabilities	 15.0	 21.5
Long-Term Liabilities	52.5	52.6
Other Liabilities	<u>1.9</u>	<u>1.9</u>
Total Liabilities	69.4	76.0
 Deferred Inflows of Resources	 7.3	 7.3
 Net Position	 <u>373.3</u>	 <u>355.2</u>
 Total Liabilities, Deferred Inflows of Resources & Net Position	 <u>450.0</u>	 <u>438.5</u>

STATEMENT OF EARNINGS

Summary information from the Statement of Earnings is as follows:

	September 2021	Year to date 2021	Year to date 2020
Operating Revenue	\$ 8.2 million	\$ 63.0 million	\$ 58.2 million
Operating Expenses	\$ 4.9 million	\$ 45.0 million	\$ 43.0 million
Other Income (Expense)	\$ (0.0) million	\$ 0.0 million	\$ (0.3) million
Net Earnings	\$ 3.3 million	\$ 18.0 million	\$ 14.9 million

The table below summarizes expenses for the period-to-date ended September 2021 and 2020:

OPERATING EXPENSES

Year-to-Date Ending September 30, 2021 and 2020

	YTD Sep 2021	% of Total	YTD Sep 2020	% of Total
Labor	\$ 12,312,016	35%	\$ 12,099,909	34%
Benefits	6,516,714	18%	6,469,162	18%
Purchased Services	5,899,591	17%	6,331,807	18%
Materials and Equipment	2,618,200	7%	2,842,844	8%
Chemicals	3,921,260	11%	3,792,116	11%
Utilities/Telephone	2,442,637	7%	2,327,543	7%
Insurance	1,060,462	3%	767,331	2%
Postage	299,616	1%	350,272	1%
Other	311,154	1%	350,353	1%
	\$ 35,381,650	100%	\$ 35,331,337	100%

CHANGES IN INVESTMENTS

	Change from Prior Month	Average Annual Return
Bond Reserves	\$356,391	0.13%
Operating Reserves	(\$3,674)	0.29%
Invested Operating Cash	\$128	0.03%

Comments

Pension fund investments decreased by \$1.7 million for the month of September 2021. The pension fund balance as of September 30, 2021, was \$62.5 million.

PROJECT EXPENSES

Total expenditures for operating projects through September 2021 were approximately \$35.4 million or 70% of the operating budget. Overall expenditures on capital projects were approximately \$9.8 million or 27% of the capital budget.

DES MOINES WATER WORKS
Statement of Net Position
For the Period Ending September 30, 2021 and December 31, 2020

	2021	2020	Change
ASSETS			
Cash			
Petty Cash	\$ 1,900	\$ 2,900	
Interest Bearing Cash	28,562,225	18,574,544	
Total	\$ 28,564,125	\$ 18,577,444	\$ 9,986,681
Invested Cash			
Operating			
Cash on Hand	\$ 5,000,740	\$ 17,148	
U.S. Government Securities	-	4,947,393	
Total	\$ 5,000,740	\$ 4,964,541	\$ 36,198
Accounts Receivable			
Accounts Receivable	\$ 9,401,271	\$ 10,455,389	
Accounts Receivable Unbilled	2,451,278	2,451,278	
Accrued Interest Receivable	9,545	44,966	
Total	\$ 11,862,094	\$ 12,951,633	\$ (1,089,539)
Reserves (Invested)			
Operating			
Cash On Hand	\$ 3,254,984	\$ 2,219,105	
U.S. Government Securities	9,006,659	10,049,749	
Total	\$ 12,261,643	\$ 12,268,854	\$ (7,211)
Revenue Bond Reserves (Invested)			
Cash on Hand	\$ 3,387,340	\$ 454,372	
U.S. Government Securities	4,404,158	4,441,998	
Total	\$ 7,791,498	\$ 4,896,370	\$ 2,895,127
Other Assets			
Materials in Stock Accounts	\$ 4,001,921	\$ 3,528,943	
Water Receivable Long-Term	192,516	327,217	
Prepaid Insurance	106,865	935,434	
Prepaid Expense	236,134	270,012	
Accum Unrealized Gain/(Loss) Invest	(848)	(2,213)	
Total	\$ 4,536,588	\$ 5,059,394	\$ (522,806)

DES MOINES WATER WORKS
Statement of Net Position
For the Period Ending September 30, 2021 and December 31, 2020

	2021	2020	Change
ASSETS-CONTINUED			
Fixed Assets			
Land & Right of Way	\$ 8,208,369	\$ 8,208,369	
Structures and Machinery	165,875,283	165,875,283	
Water Supply System	59,372,828	59,372,828	
Urbandale Booster System	509,687	509,687	
Pipelines	266,459,469	266,459,469	
Meters	31,700,015	31,700,015	
Laboratory Equipment	786,078	786,078	
Distribution Equipment	1,361,239	1,361,239	
Mobile Equipment	3,795,095	3,795,095	
Vehicles	2,968,974	2,968,974	
Office Equipment	1,341,093	1,341,093	
MIS Equipment	26,823,802	26,823,802	
Total	\$ 569,201,931	\$ 569,201,931	
Accumulated Depreciation	(212,719,499)	(203,104,998)	
Construction in Progress	\$ 15,493,668	5,691,558	
Total Fixed Assets	\$ 371,976,101	\$ 371,788,491	\$ 187,609
TOTAL ASSETS	\$ 441,992,789	\$ 430,506,729	\$ 11,486,059
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Bond Refunding	\$ 515,916	\$ 515,916	
Pension Related Amounts	7,511,696	7,511,696	
Total	\$ 8,027,612	\$ 8,027,612	\$ -
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 450,020,401	\$ 438,534,341	\$ 11,486,059

DES MOINES WATER WORKS
Statement of Net Position
For the Period Ending September 30, 2021 and December 31, 2020

	2021	2020	Change
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,187,249	\$ 2,952,917	
Construction Payables	2,758,513	7,486,462	
Salaries and Wages Payable	1,081,381	958,028	
Accrued Leave	3,974,240	3,974,240	
State Tax Payable	225,175	178,017	
Work Comp Reserves	449,260	449,260	
Revenue Bond Interest Payable	165,171	41,196	
Revenue Bonds Payable Current	3,832,000	3,832,000	
Deferred Revenue - Current	180,645	722,580	
Billing Service Deposits	1,107,299	907,277	
Unclaimed Refunds	16,241	9,089	
Total	\$ 14,977,176	\$ 21,511,067	\$ (6,533,891)
Long Term Liabilities			
Revenue Bond Payable	\$ 13,620,166	\$ 13,620,166	
Deferred Revenue	2,502,356	2,502,356	
Pension Liability	17,568,986	17,568,986	
Other Post-Employment Benefit Liability	18,793,745	18,793,745	
Other Non-Current Liabilities	32,859	80,925	
Total	\$ 52,518,112	\$ 52,566,178	\$ (48,066)
Other Liabilities			
Deposits by Consumers	\$ 1,939,989	\$ 1,893,792	
Project H2O	379	2,020	
Miscellaneous Liabilities	(1,014)	1,811	
Total	\$ 1,939,354	\$ 1,897,624	\$ 41,730
TOTAL LIABILITIES	\$ 69,434,641	\$ 75,974,869	\$ (6,540,228)
DEFERRED INFLOWS OF RESOURCES			
Pension Related Amounts	\$ 5,199,586	\$ 5,199,586	
Other Post-Employment Benefit Amounts	2,122,572	2,122,572	
Total	\$ 7,322,158	\$ 7,322,158	\$ -
NET POSITION	\$ 373,263,602	\$ 355,237,315	\$ 18,026,287
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	\$ 450,020,401	\$ 438,534,341	\$ 11,486,059

Des Moines Water Works
Statement of Earnings and Retained Earnings
For the Month Ended September 30, 2021, the Nine Months Ending September 30, 2021
and the Nine Months Ending September 30, 2020

	Current Month 2021	Year-To-Date 2021	Yearly Budget 2021	Actual vs. Budget Variance	Year-To-Date 2020	Year-To-Date Current vs. Prior Year
OPERATING REVENUE						
Water Sales	\$ 7,403,215	\$ 57,075,972	\$ 68,511,078	\$ (11,435,106)	\$ 51,791,911	\$ 5,284,061
Sewer Services - Runnells	8,739	72,872	87,400	(14,528)	72,469	403
Late Fees	59,744	302,661	320,000	(17,339)	253,909	48,752
Billed Debt Service	199,551	1,795,957	2,414,693	(618,736)	1,795,283	674
Other Sales and Services	212,441	1,315,405	2,974,184	(1,658,779)	1,836,068	(520,663)
Billing Services Revenue	174,453	1,315,214	1,887,383	(572,169)	1,261,889	53,325
Land Use Revenue	13,461	143,041	245,000	(101,959)	128,480	14,561
Connection Fees	86,270	439,788	600,000	(160,212)	485,517	(45,729)
Purchase Capacity	60,215	541,935	-	541,935	539,119	2,816
Cash Discount and Refunds	95	2,191	-	2,191	2,087	104
Total Operating Revenues	\$ 8,218,184	\$ 63,005,036	\$ 77,039,738	\$ (14,034,702)	\$ 58,166,732	\$ 4,838,304
OPERATING EXPENSES						
Labor	\$ 1,223,111	\$ 12,312,016	\$ 17,143,482	\$ 4,831,466	\$ 12,099,909	\$ (212,107)
Benefits	292,678	2,822,912	3,839,474	1,016,562	2,706,950	(115,962)
Retirement Benefits	387,695	3,693,802	5,104,162	1,410,360	3,762,212	68,410
Postage	30,798	299,616	490,900	191,284	350,272	50,656
Telephone	22,315	191,649	285,500	93,851	210,526	18,877
Insurance	99,020	1,060,462	1,440,000	379,538	767,331	(293,131)
Casualty Loss	25,448	108,888	100,000	(8,888)	40,332	(68,556)
Loss on Bad Accounts	(275)	(16,509)	150,000	166,509	123,245	139,754
Purchased Services	544,115	5,899,591	9,804,921	3,905,330	6,331,807	432,216
Training	7,733	42,599	162,390	119,791	15,003	(27,596)
Materials and Equipment	348,822	2,618,200	3,745,252	1,127,052	2,842,844	224,644
Chemicals	406,985	3,921,260	5,264,024	1,342,764	3,792,116	(129,144)
Utilities	388,816	2,250,988	2,972,976	721,988	2,117,017	(133,971)
Gasoline/Fuel	18,501	176,176	235,818	59,642	171,773	(4,403)
Total Operating Expense	\$ 3,795,762	\$ 35,381,650	\$ 50,738,899	\$ 15,357,249	\$ 35,331,337	\$ (50,313)
Depreciation Expense	\$ 1,066,939	9,614,501	12,844,080	3,229,579	7,650,032	(1,964,469)
Net Income from Operations	3,355,483	18,008,885	13,456,759	4,552,126	15,185,363	2,823,522
Other Income (Expense) :						
Capital Contributions	\$ -	\$ 403,093	\$ -	\$ 403,093	\$ -	\$ 403,093
Contributions From Subdividers	-	-	-	-	-	-
Investment Income	852	80,315	174,290	(93,975)	113,924	(33,609)
Net Change - Investment Values	(5,675)	(95,240)	-	(95,240)	68,196	(163,436)
Interest Expense / Amortization	(41,196)	(370,766)	(493,583)	122,817	(449,636)	78,870
Gain/Loss on Fixed Assets	-	-	-	-	-	-
Other Income/Expense	-	-	-	-	-	-
Other Income (Expense), net	\$ (46,019)	\$ 17,402	\$ (319,293)	\$ 336,695	\$ (267,516)	\$ 284,918
Net Earnings	<u>\$ 3,309,464</u>	<u>\$ 18,026,287</u>	<u>\$ 13,137,466</u>	<u>\$ 4,888,821</u>	<u>\$ 14,917,847</u>	<u>\$ 3,108,440</u>
Retained Earnings, January 1		\$ 355,237,315			\$ 329,461,785	
Ending Retained Earnings		<u>\$ 373,263,602</u>			<u>\$ 344,379,632</u>	

**DES MOINES WATER WORKS
STATEMENT OF INVESTMENT CHANGES
FOR THE MONTH ENDED SEPTEMBER 30, 2021**

BOND RESERVES

	Balance at 8/31/2021	Additions	Deductions	Balance at 9/30/2021
Cash on Hand	\$3,026,791	360,549	-	\$3,387,340
U.S. Government Securities	4,408,317	-	4,158	4,404,158
Total Bond Reserves	\$7,435,107	\$360,549	\$4,158	\$7,791,498

The average annual interest earned was 0.13%.

INVESTED RESERVES

	Balance at 8/31/2021	Additions	Deductions	Balance at 9/30/2021
Operating				
Cash on Hand	\$3,253,701	1,283	-	\$3,254,984
U.S. Government Securities	9,011,617	-	4,958	9,006,659
Total Invested Reserves	\$12,265,317	\$1,283	\$4,958	\$12,261,643

The average annual interest earned was 0.29%.

INVESTED OPERATING CASH

	Balance at 8/31/2021	Additions	Deductions	Balance at 9/30/2021
Operating				
Cash on Hand	\$5,000,612	127	-	\$5,000,740
U.S. Government Securities	0	-	-	0
Total Invested Reserves	\$5,000,612	\$127	\$0	\$5,000,740

The average annual interest earned was 0.03%.

**DES MOINES WATER WORKS
STATEMENT OF INVESTMENT CHANGES
YEAR TO DATE 2021**

PENSION FUND

	Balance 1/1/2021	Transfers, Expenses & Deposits	Benefit Payments	Investment Return	Balance at 9/30/2021	YTD % Return
<i>Fixed Income</i>						
Mellon Capital Mgmt - Bond Market Index	6,969,733	2,290,125	(2,710,196)	(118,926)	6,430,737	-1.89%
Neuberger Berman / Mellon / DDJ - High Yield I	2,434,418	41,399		102,484	2,578,301	4.19%
Principal Global Investors - Income	20,926,821	1,427,374	17,927	(296,684)	22,075,437	-1.38%
<i>Large U.S. Equity</i>						
Principal Global Investors - Equity Income	6,706,117	(616,039)		751,439	6,841,516	11.58%
Principal Global Investors - Large Cap S&P 500 Index	4,049,150	(418,362)		628,688	4,259,477	16.10%
T. Rowe Price / Brown Advisory - Large Cap Growth	6,696,765	(667,555)		958,333	6,987,543	14.82%
<i>Small/Mid U.S. Equity</i>						
Robert Baird / Eagle Asset Mgmt - Mid Cap Growth III	991,613	(49,141)		104,037	1,046,508	10.68%
DFA / Vaughan Nelson / LA Capital - Small Cap Value II	488,129	(109,622)		116,148	494,656	25.72%
AB / Brown / Emerald - Small Cap Growth I	494,522	(23,019)		30,100	501,603	6.19%
LA Capital Mgmt / Victory - Mid Cap Value I	979,917	(172,877)		205,964	1,013,004	22.35%
<i>International Equity</i>						
Causeway / Barrow Hanley - Overseas	2,666,330	102,481		244,533	3,013,344	9.06%
Principal Global Investors / DFA - International Small Cap	1,792,775	(885,802)		157,869	1,064,842	10.62%
Principal Global Investors - Diversified International	4,069,158	240,998		190,400	4,500,556	4.58%
Origin Asset Management LLP - Origin Emerging Markets	1,792,680	(81,571)		(44,561)	1,666,549	-2.52%
Total Principal Financial	\$ 61,058,128	\$ 1,078,388	\$ (2,692,269)	\$ 3,029,823	\$ 62,474,071	5.05%

DES MOINES WATER WORKS
Project Costs by Department - Summary
Year to Date ended September 30, 2021
75% of Year Completed

	YTD Actual	Yearly Budget 2021	Budget Adjustment / Carry Over	Net Yearly 2021 Budget	Variance	% of Budget
Operating						
Office of the CEO/General Manager	\$1,035,745	\$1,455,957	\$0	\$1,455,957	\$420,212	71%
Customer Service	\$3,188,477	\$4,798,359	\$0	\$4,798,359	\$1,609,882	66%
Engineering	\$1,343,886	\$2,260,408	\$0	\$2,260,408	\$916,522	59%
Finance	\$3,222,167	\$4,549,037	\$0	\$4,549,037	\$1,326,870	71%
Human Resources	\$529,982	\$750,326	\$0	\$750,326	\$220,344	71%
Information Technology	\$2,293,499	\$3,062,908	\$6,494	\$3,069,402	\$775,903	75%
Office of the Chief Operating Officer	\$2,574,529	\$3,259,666	\$0	\$3,259,666	\$685,137	79%
Water Distribution	\$6,298,639	\$8,996,648	\$0	\$8,996,648	\$2,698,009	70%
Water Production	\$14,894,729	\$21,605,590	\$40,000	\$21,645,590	\$6,750,861	69%
Total Operating	\$35,381,650	\$50,738,899	\$46,494	\$50,785,393	\$15,403,741	70%
Capital						
Office of the CEO/General Manager	\$0	\$0	\$0	\$0	\$0	No Budget
Customer Service	\$726,965	\$1,361,003	\$0	\$1,361,003	\$634,038	53%
Engineering	\$7,854,504	\$19,924,726	\$11,046,866	\$30,971,592	\$23,117,088	25%
Finance	\$0	\$0	\$0	\$0	\$0	No Budget
Human Resources	\$0	\$0	\$0	\$0	\$0	No Budget
Information Technology	\$191,798	\$280,463	\$0	\$280,463	\$88,665	68%
Office of the Chief Operating Officer	\$0	\$0	\$0	\$0	\$0	No Budget
Water Distribution	\$554,360	\$1,162,040	\$0	\$1,162,040	\$607,680	48%
Water Production	\$512,411	\$1,779,342	\$484,887	\$2,264,229	\$1,751,818	23%
Total Capital	\$9,840,039	\$24,507,575	\$11,531,753	\$36,039,327	\$26,199,288	27%
Total Project Costs	\$45,221,690	\$75,246,474	\$11,578,247	\$86,824,721	\$41,603,028	52%

DES MOINES WATER WORKS
Project Costs by Department - Summary
Year to Date ended September 30, 2021
75% of Year Completed

Office of the CEO/General Manager

		YTD Actual	Yearly Budget 2021	Budget Adjustment / Carry Over	Net Yearly 2021 Budget	Variance	% of Budget
Operating							
950-200	New Business, Community & Economic Dev	\$57,301	\$78,289	\$0	\$78,289	\$20,988	73%
996-001	CEO Department Administration	\$430,766	\$342,684	\$0	\$342,684	(\$88,082)	126%
996-030	Board Activities	\$201,656	\$603,538	\$0	\$603,538	\$401,882	33%
996-200	Business Strategies	\$169,279	\$225,840	\$0	\$225,840	\$56,561	75%
996-210	Project Management	\$104,925	\$50,276	\$0	\$50,276	(\$54,649)	209%
995-010	Public Policy - WS Advocate	\$71,819	\$155,330	\$0	\$155,330	\$83,512	46%
Total Operating		\$1,035,745	\$1,455,957	\$0	\$1,455,957	\$420,212	71%
OCEO Capital							
Total Capital		\$0	\$0	\$0	\$0	\$0	\$0
Total Office of CEO/General Manager		\$1,035,745	\$1,455,957	\$0	\$1,455,957	\$420,212	71%

DES MOINES WATER WORKS
Project Costs by Department - Summary
Year to Date ended September 30, 2021
75% of Year Completed

Customer Service

		YTD Actual	Yearly Budget 2021	Budget Adjustment / Carry Over	Net Yearly 2021 Budget	Variance	% of Budget
Operating							
950-001	Cust Svc Dept Administration	\$1,375,506	\$2,048,002	\$0	\$2,048,002	\$672,496	67%
950-100	Contact Center Operations	\$740,266	\$1,176,578	\$0	\$1,176,578	\$436,312	63%
950-300	Communications/PR	\$176,745	\$202,081	\$0	\$202,081	\$25,336	87%
950-600	Field Customer Service	\$895,960	\$1,371,698	\$0	\$1,371,698	\$475,738	65%
	Total Operating	\$3,188,477	\$4,798,359	\$0	\$4,798,359	\$1,609,882	66%
Capital							
955-060	Field Cust Svc Capital	\$723,875	\$1,361,003	\$0	\$1,361,003	\$637,128	53%
955-100	Contact Center Capital	\$368	\$0	\$0	\$0	(\$368)	No Budget
925-160	Radio Frequency Project	\$2,721	\$0	\$0	\$0	(\$2,721)	No Budget
	Total Capital	\$726,965	\$1,361,003	\$0	\$1,361,003	\$634,038	53%
Total Customer Service		\$3,915,442	\$6,159,362	\$0	\$6,159,362	\$2,243,920	64%

DES MOINES WATER WORKS
Project Costs by Department - Summary
Year to Date ended September 30, 2021
75% of Year Completed

Engineering

		YTD Actual	Yearly Budget 2021	Budget Adjustment / Carry Over	Net Yearly 2021 Budget	Variance	% of Budget
Operating							
940-001	Engineering Dept Administration	\$1,279,895	\$1,558,508	\$0	\$1,558,508	\$278,613	82%
940-010	Engineering Studies	\$63,991	\$701,900	\$0	\$701,900	\$637,909	9%
	Total Operating	\$1,343,886	\$2,260,408	\$0	\$2,260,408	\$916,522	59%
Capital							
945-010	Facility Management	\$285,262	\$3,106,382	\$1,506,270	\$4,612,652	\$4,327,390	6%
945-011	West Des Moines ASR	\$38	\$0	\$0	\$0	(\$38)	No Budget
945-080	WMR - Des Moines	\$2,643,108	\$5,575,711	\$1,768,000	\$7,343,711	\$4,700,603	36%
945-090	WMR - Polk County	\$93,649	\$3,263,490	\$900,000	\$4,163,490	\$4,069,841	2%
945-095	WMR - Windsor Heights	\$11,657	\$15,000	\$600,000	\$615,000	\$603,343	2%
945-100	WMR - Pleasant Hill	\$1,177,316	\$1,791,323	\$0	\$1,791,323	\$614,007	66%
945-180	Raw Water McMullen	\$431,351	\$745,373	\$703,040	\$1,448,413	\$1,017,062	30%
945-200	Development Plan Review & Inspection	\$265,273	\$364,007	(\$6,494)	\$357,513	\$92,240	74%
945-210	Core Network Feeder Mains	\$2,560	\$0	\$0	\$0	(\$2,560)	No Budget
945-220	Fleur Drive Treatment Plant	\$1,578,167	\$4,342,203	\$3,881,050	\$8,223,253	\$6,645,086	19%
945-225	McMullen Treatment Plant	\$0	\$0	\$0	\$0	\$0	No Budget
945-228	Saylorville Water Treatment Plant	\$36,078	\$658,657	\$215,000	\$873,657	\$837,579	4%
945-230	Remote Facilities - Pumping & Storage	\$56,617	\$0	\$50,000	\$50,000	(\$6,617)	113%
945-235	Joint NW Storage, PS and Feeder Mains	\$772,938	\$33,162	\$1,430,000	\$1,463,162	\$690,224	53%
945-245	Joint SW Storage, PS and Feeder Mains	\$493,154	\$29,418	\$0	\$29,418	(\$463,736)	1676%
945-250	Waukee-Xenia Feeder Main & Pump Station	\$7,336	\$0	\$0	\$0	(\$7,336)	No Budget
	Total Capital	\$7,854,504	\$19,924,726	\$11,046,866	\$30,971,592	\$23,117,088	25%
Total Engineering		\$9,198,390	\$22,185,134	\$11,046,866	\$33,232,000	\$24,033,610	28%

DES MOINES WATER WORKS
Project Costs by Department - Summary
Year to Date ended September 30, 2021
75% of Year Completed

Finance

		YTD Actual	Yearly Budget 2021	Budget Adjustment / Carry Over	Net Yearly 2021 Budget	Variance	% of Budget
Operating							
930-001	Finance Dept Administration	\$813,081	\$1,153,596	\$0	\$1,153,596	\$340,515	70%
930-010	Financial Services	\$1,536,341	\$2,097,598	\$0	\$2,097,598	\$561,257	73%
930-090	Purchasing	\$71,511	\$83,661	\$0	\$83,661	\$12,150	85%
950-410	A/R Management	\$597,664	\$887,746	\$0	\$887,746	\$290,082	67%
970-010	Central Stores	\$75,979	\$126,437	\$0	\$126,437	\$50,458	60%
970-500	GDMBG Operations and Maintenance	\$127,592	\$199,999	\$0	\$199,999	\$72,407	64%
	Total Operating	\$3,222,167	\$4,549,037	\$0	\$4,549,037	\$1,326,870	71%
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		\$3,222,167	\$4,549,037	\$0	\$4,549,037	\$1,326,870	71%

DES MOINES WATER WORKS
Project Costs by Department - Summary
Year to Date ended September 30, 2021
75% of Year Completed

Human Resources

		YTD Actual	Yearly Budget 2021	Budget Adjustment / Carry Over	Net Yearly 2021 Budget	Variance	% of Budget
Operating							
910-001	HR Dept Administration	\$203,536	\$274,771	\$0	\$274,771	\$71,235	74%
910-010	Employee Relations	\$161,102	\$237,733	\$0	\$237,733	\$76,631	68%
910-060	Employment	\$51,741	\$52,765	\$0	\$52,765	\$1,024	98%
910-110	Compensation/Benefits	\$88,651	\$126,168	\$0	\$126,168	\$37,517	70%
910-150	Employee Learning & Growth	\$24,953	\$58,889	\$0	\$58,889	\$33,936	42%
Total Operating		\$529,982	\$750,326	\$0	\$750,326	\$220,344	71%
Capital							
Total Capital		\$0	\$0	\$0	\$0	\$0	No Budget
Total Human Resources		\$529,982	\$750,326	\$0	\$750,326	\$220,344	71%

DES MOINES WATER WORKS
Project Costs by Department - Summary
Year to Date ended September 30, 2021
75% of Year Completed

Information Technology

		YTD Actual	Yearly Budget 2021	Budget Adjustment / Carry Over	Net Yearly 2021 Budget	Variance	% of Budget
Operating							
920-001	IT Dept Administration	\$502,721	\$727,515	\$0	\$727,515	\$224,794	69%
920-160	Technical Services	\$176,449	\$277,674	\$0	\$277,674	\$101,225	64%
920-240	IT Development & Application Svcs	\$18,358	\$67,756	\$0	\$67,756	\$49,398	27%
920-250	IT Services	\$1,015,384	\$1,218,308	\$6,494	\$1,224,802	\$209,418	83%
920-350	System Services	\$580,586	\$771,655	\$0	\$771,655	\$191,069	75%
	Total Operating	\$2,293,499	\$3,062,908	\$6,494	\$3,069,402	\$775,903	75%
Capital							
925-010	Info Systems Capital	\$191,798	\$280,463	\$0	\$280,463	\$88,665	68%
	Total Capital	\$191,798	\$280,463	\$0	\$280,463	\$88,665	68%
Total Information Technology		\$2,485,297	\$3,343,371	\$6,494	\$3,349,865	\$864,568	74%

DES MOINES WATER WORKS
Project Costs by Department - Summary
Year to Date ended September 30, 2021
75% of Year Completed

Office of the Chief Operating Officer

		YTD Actual	Yearly Budget 2021	Budget Adjustment / Carry Over	Net Yearly 2021 Budget	Variance	% of Budget
Operating							
993-000	OCOO Dept Administration	\$54,009	\$51,859	\$0	\$51,859	(\$2,150)	104%
960-510	Risk & Incident Management	\$575,040	\$846,150	\$0	\$846,150	\$271,110	68%
910-240	Safety	\$127,506	\$250,570	\$0	\$250,570	\$123,064	51%
970-060	Grounds Maintenance	\$458,893	\$752,006	\$0	\$752,006	\$293,113	61%
	Department Operating	\$1,215,448	\$1,900,585	\$0	\$1,900,585	\$685,137	64%
960-511	Flood Response & Repairs	\$0	\$0	\$0	\$0	\$0	No Budget
970-060	Grounds Maintenance - PILOT	\$1,359,081	\$1,359,081	\$0	\$1,359,081	\$0	100%
	Total Operating	\$2,574,529	\$3,259,666	\$0	\$3,259,666	\$685,137	79%
Capital							
	Total Capital	\$0	\$0	\$0	\$0	\$0	No Budget
Total Office of the COO		\$2,574,529	\$3,259,666	\$0	\$3,259,666	\$685,137	79%

DES MOINES WATER WORKS
Project Costs by Department - Summary
Year to Date ended September 30, 2021
75% of Year Completed

Water Distribution

		YTD Actual	Yearly Budget 2021	Budget Adjustment / Carry Over	Net Yearly 2021 Budget	Variance	% of Budget
Operating							
960-001	Water Dist Dept Administration	\$2,693,189	\$3,878,675	\$0	\$3,878,675	\$1,185,486	69%
960-010	Distribution Administration	\$89,982	\$109,662	\$0	\$109,662	\$19,680	82%
960-100	Dist System Maint/Repairs	\$2,212,786	\$2,881,596	\$0	\$2,881,596	\$668,810	77%
960-160	Water Distribution Support	\$348,148	\$540,292	\$0	\$540,292	\$192,144	64%
960-180	Leak Detection	\$525,209	\$679,311	\$0	\$679,311	\$154,102	77%
960-250	Distribution Billed Services	\$304,724	\$689,034	\$0	\$689,034	\$384,310	44%
960-500	Distribution Water Quality	\$124,601	\$218,078	\$0	\$218,078	\$93,477	57%
	Total Operating	\$6,298,639	\$8,996,648	\$0	\$8,996,648	\$2,698,009	70%
Capital							
965-010	Distribution System Improvements	\$541,836	\$1,134,340	\$0	\$1,134,340	\$592,504	48%
965-025	Dist Billed Services Capital	\$7,643	\$19,300	\$0	\$19,300	\$11,657	40%
965-200	Leak Detection Equipment	\$4,881	\$8,400	\$0	\$8,400	\$3,519	58%
	Total Capital	\$554,360	\$1,162,040	\$0	\$1,162,040	\$607,680	48%
Total Water Distribution		\$6,853,000	\$10,158,688	\$0	\$10,158,688	\$3,305,688	67%

DES MOINES WATER WORKS
Project Costs by Department - Summary
Year to Date ended September 30, 2021
75% of Year Completed

Water Production

		YTD Actual	Yearly Budget 2021	Budget Adjustment / Carry Over	Net Yearly 2021 Budget	Variance	% of Budget
Operating							
970-110	Facility Maintenance	\$415,301	\$579,077	\$0	\$579,077	\$163,776	72%
970-200	Vehicle Maintenance	\$710,712	\$1,031,156	\$0	\$1,031,156	\$320,444	69%
970-360	Communication Sys Maintenance	\$13,769	\$48,222	\$0	\$48,222	\$34,453	29%
970-450	HVAC Operations & Maintenance	\$92,197	\$136,347	\$0	\$136,347	\$44,150	68%
980-001	Water Production Dept Admin	\$2,866,647	\$3,837,608	\$0	\$3,837,608	\$970,961	75%
980-010	Water Production Operations	\$827,947	\$1,053,107	\$0	\$1,053,107	\$225,160	79%
980-020	Fleur Treatment Chem/Energy	\$4,401,534	\$5,771,359	\$0	\$5,771,359	\$1,369,825	76%
980-030	McMullen Treatment Chem/Energy	\$1,711,249	\$3,059,618	\$0	\$3,059,618	\$1,348,369	56%
980-040	Saylorville Treatment Chem/Energy	\$622,601	\$1,025,131	\$0	\$1,025,131	\$402,530	61%
980-200	Fleur Plant Maintenance	\$1,023,012	\$1,823,563	\$0	\$1,823,563	\$800,551	56%
980-250	McMullen Plant Maintenance	\$300,470	\$519,243	\$40,000	\$559,243	\$258,773	54%
980-300	Saylorville Plant Maintenance	\$316,094	\$519,067	\$0	\$519,067	\$202,973	61%
980-350	WP Maintenance Oversight	\$112,579	\$208,270	\$0	\$208,270	\$95,691	54%
980-410	Louise P. Moon Pumping & Maint.	\$331,137	\$512,756	\$0	\$512,756	\$181,619	65%
980-420	PC PS Maintenance	\$108,781	\$150,142	\$0	\$150,142	\$41,361	72%
980-430	DM Remote Storage & Pumping	\$502,802	\$631,990	\$0	\$631,990	\$129,188	80%
980-500	Routine Laboratory Monitoring	\$471,034	\$563,490	\$0	\$563,490	\$92,456	84%
980-530	Source Water Quality	\$66,863	\$135,444	\$0	\$135,444	\$68,581	49%
Total Operating		\$14,894,729	\$21,605,590	\$40,000	\$21,645,590	\$6,750,861	69%
Capital							
985-010	Water Production Reinvestment	\$335,087	\$964,427	\$192,887	\$1,157,314	\$822,227	29%
975-010	Vehicle Capital	\$177,324	\$814,915	\$292,000	\$1,106,915	\$929,591	16%
Total Capital		\$512,411	\$1,779,342	\$484,887	\$2,264,229	\$1,751,818	23%
Total Water Production		\$15,407,140	\$23,384,932	\$524,887	\$23,909,819	\$8,502,679	64%

**Consent Agenda
Item 1-C**

MONTHLY SCHEDULE FOR THE MONTH OF SEPTEMBER 2021

ACCOUNTS PAYABLE MONTHLY SCHEDULE	Weekly Check Runs	4,991,680.17
EMPLOYEE PAYROLL	Bi Weekly Payrolls	<u>765,133.96</u>
TOTAL		<u><u>\$5,756,814.13</u></u>

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<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
90321	Des Moines Water Works Credit Union	Credit Union Payable	\$33,146.00
91021	Treasurer State of Iowa	Iowa State Sales Tax Payable	96,045.00
91721	Des Moines Water Works Credit Union	Credit Union Payable	33,216.00
92521	Treasurer State of Iowa	Iowa State Sales Tax Payable	70,489.00
93021	Discovery Benefits	Flex Spending - Reimbursements	2,986.01
165329	ADP, LLC	Purchased Services	8,868.84
210903	Principal Life Insurance	Deferred Compensation Payable	56,525.00
210910	Treasurer State of Iowa	Iowa Water Excise Tax Payable	138,958.00
210917	Principal Life Insurance	Deferred Compensation Payable	56,897.07
210925	Treasurer State of Iowa	Iowa Water Excise Tax Payable	110,206.00
255761	Master Single Payment Vendor	Refunds	88.19
255762	Master Single Payment Vendor	Refunds	134.48
255763	Master Single Payment Vendor	Refunds	78.13
255764	Master Single Payment Vendor	Refunds	158.97
255765	Master Single Payment Vendor	Refunds	18.19
255766	Master Single Payment Vendor	Refunds	154.45
255767	Master Single Payment Vendor	Refunds	77.08
255768	Master Single Payment Vendor	Refunds	56.00
255769	Master Single Payment Vendor	Refunds	639.14
255770	Master Single Payment Vendor	Refunds	184.91
255771	Master Single Payment Vendor	Refunds	108.30
255772	Master Single Payment Vendor	Refunds	75.99
255773	Master Single Payment Vendor	Refunds	20.19
255774	Master Single Payment Vendor	Refunds	54.19
255775	Master Single Payment Vendor	Refunds	69.38
255776	Master Single Payment Vendor	Refunds	77.53
255777	Master Single Payment Vendor	Refunds	19.28
255778	Master Single Payment Vendor	Refunds	126.67
255779	Master Single Payment Vendor	Refunds	53.07
255780	Master Single Payment Vendor	Refunds	183.30
255781	Master Single Payment Vendor	Refunds	229.34
255782	Master Single Payment Vendor	Refunds	136.01
255783	Master Single Payment Vendor	Refunds	8.80
255784	Master Single Payment Vendor	Refunds	670.00
255785	Master Single Payment Vendor	Refunds	7.29
255786	Master Single Payment Vendor	Refunds	67.28
255787	Master Single Payment Vendor	Refunds	133.30
255788	Master Single Payment Vendor	Refunds	689.78
255789	Master Single Payment Vendor	Refunds	99.37
255790	Voided Check		0.00
255791	Master Single Payment Vendor	Refunds	86.16
255792	Master Single Payment Vendor	Refunds	41.07
255793	Master Single Payment Vendor	Refunds	44.60
255794	Master Single Payment Vendor	Refunds	59.23
255795	Master Single Payment Vendor	Refunds	227.20
255796	Master Single Payment Vendor	Refunds	145.53
255797	Master Single Payment Vendor	Refunds	57.89
255798	Master Single Payment Vendor	Refunds	23.48
255799	Master Single Payment Vendor	Refunds	117.76
255800	Master Single Payment Vendor	Refunds	145.70
255801	Master Single Payment Vendor	Refunds	121.52
255802	Master Single Payment Vendor	Refunds	150.74
255803	Master Single Payment Vendor	Refunds	132.13
255804	Master Single Payment Vendor	Refunds	43.70
255805	Master Single Payment Vendor	Refunds	52.57
255806	Master Single Payment Vendor	Refunds	193.26
255807	AFSCME	Union Dues Payable	70.42

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<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
255808	AFSCME Local 3861-3	Union Dues Payable	2,491.98
255809	Acme Tools	Inventory	469.74
255810	Allied Electronics	Inventory	75.03
255811	Amazon Capital Services Inc	Materials & Supplies	233.78
255812	Bankers Trust Company	Corporate Credit Card	2,031.47
255813	Canon Financial Services INC	Printing & Copies	2,473.44
255814	Capital Sanitary Supply	Inventory	170.11
255815	Carquest	Vehicle Maintenance Materials	140.87
255816	CenturyLink	Telephone Services	283.33
255817	Chuck Christensen	Consultants	884.00
255818	Cintas	Purchased Services	1,693.37
255819	City Supply Corporation	Inventory	120.71
255820	City of Des Moines	Contractors	275.00
255821	Copy Systems, Inc.	Printing & Copies	29.62
255822	DXP	Inventory	752.08
255823	Des Moines Fire Department	Purchased Services	1,045.00
255824	Dex Media	Advertising	68.26
255825	Doors, Inc.	Vehicle Maintenance Materials	142.00
255826	Douglas K. Oscarson	Consultants	1,776.00
255827	Dultmeier Sales LLC	Inventory	130.67
255828	Voided Check		0.00
255829	Eastern Iowa Tire	Vehicle Maintenance Materials	1,467.22
255830	Voided Check		0.00
255831	Factory Motor Parts Company	Vehicle Maintenance Materials	128.43
255832	Ferrellgas, Inc.	Vehicle Maintenance Materials	58.46
255833	First Choice Coffee	Food & Beverages	596.46
255834	Fisher Scientific	Inventory	897.87
255835	Force Fitters	Inventory	222.00
255836	Grainger, Inc.	Inventory	872.92
255837	Graybar Electric Company	Inventory	1,541.51
255838	H & H Plumbing Inc	Casualty Losses	234.89
255839	Hawkins Water Treatment Group	Inventory	286.00
255840	Home City Ice	Park Materials	277.20
255841	Image Solutions	Materials & Supplies	135.00
255842	Industrial Scientific Corporation	Dues and Memberships	2,315.03
255843	Iowa Association of Water Agencies	Training	130.00
255844	Iowa State Fire Marshall Division	Purchased Services	80.00
255845	John's Tree Service, Inc.	Contractors	1,137.50
255846	Joseph Lake	Safety Boots	245.00
255847	Logan Contractors Supply, Inc.	Purchased Services	2,074.92
255848	McMaster-Carr Supply Company	Inventory	460.70
255849	Menard's	Inventory	722.33
255850	Midwest Office Technology, Inc.	Printing & Copies	1,627.33
255851	Murphy Tractor & Equipment	Vehicle Maintenance Materials	229.48
255852	O'Halloran International	Vehicle Maintenance Materials	1,686.29
255853	P & P Small Engines, Inc.	Purchased Services	413.66
255854	Plumb Supply Company	Inventory	891.53
255855	Power Seal	Inventory	876.66
255856	Power Specialties	Inventory	486.65
255857	Premier Safety	Inventory	451.48
255858	Ramco Innovations	Materials & Supplies	32.51
255859	Sherwin Williams	Vehicle Maintenance Materials	112.02
255860	Star Equipment, Ltd.	Contractors	108.00
255861	Stetson Building Products	Inventory	172.26
255862	Stivers	Vehicle Maintenance Materials	701.23
255863	Storey-Kenworthy Company	Office Supplies	321.45
255864	Team Services, Inc.	Contractors	248.90

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<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
255865	The Shredder	Purchased Services	174.00
255866	Total Tool	Inventory	580.02
255867	True North Controls	Inventory	149.00
255868	UPS	Delivery/Freight	51.88
255869	USA Bluebook	Inventory	1,173.84
255870	Unified Contracting Services	Purchased Services	967.80
255871	United States Plastic Corporation	Inventory	128.81
255872	Utility Equipment Company	Inventory	917.40
255873	Valley Environmental	Purchased Services	60.00
255874	Van Meter Industrial, Inc.	Inventory	477.03
255875	West Des Moines Water Works	Sewer	56.53
255876	Woodsmith Store	Vehicle Maintenance Materials	62.99
255877	Accord Architecture	Contractors	4,350.00
255878	Air Products	Inventory	3,820.58
255879	American Fence of Iowa	Materials & Supplies	5,895.00
255880	Bonnie's Barricades	Contractors	2,596.00
255881	CTI Ready Mix	Concrete	6,096.50
255882	City of Alleman	Alleman Payable	10,390.58
255883	City of Cumming	Billing Service Revenue	8,500.74
255884	City of Pleasant Hill	Billing Service Revenue	256,044.65
255885	City of Runnells	Billing Service Revenue	8,712.07
255886	City of Windsor Heights	Billing Service Revenue	64,164.75
255887	Core and Main	Inventory	9,874.60
255888	Cortrol Process Systems	Inventory	17,494.13
255889	Dixie Petro-Chem, Inc.	Inventory	6,851.55
255890	DuBois Chemicals, INC	Inventory	9,402.33
255891	Global Security Services	Purchased Services	36,093.04
255892	Greenfield Plaza Sanitary Sewer	Billing Service Revenue	30,187.33
255893	Harold Beck and Sons Inc	Materials & Supplies	18,622.99
255894	HomeServe USA	Billing Service Revenue	212,952.40
255895	I'll Do It	Contractors	16,502.00
255896	Iowa One Call	Purchased Services	3,999.70
255897	Kemetco Research Inc	Materials & Supplies	5,040.00
255898	Kemira Water Solutions, Inc	Inventory	6,117.05
255899	Kirkham Michael	Contractors	4,392.50
255900	MW Media Consultants, LLC	Consultants	4,000.00
255901	Mail Services LLC	Postage	8,870.95
255902	Micronics Filtration	Inventory	12,414.40
255903	Mid American Energy	Utilities - Electric & Natural Gas	22,559.54
255904	Mississippi Lime Company	Inventory	50,442.92
255905	Municipal Supply, Inc.	Inventory	18,403.23
255906	Neptune Technology Group Inc	Inventory	41,116.05
255907	Northway Well and Pump Company	Contractors	61,682.00
255908	Pipe Money Plumbing	Plumbing	3,784.00
255909	Polk County	Billing Service Revenue	55,374.23
255910	Polk County Treasurer	Billing Service Revenue	34,451.87
255911	Renewable Energy Group	Inventory	2,870.45
255912	Suez Water Technologies	Inventory	31,022.40
255913	Univar	Inventory	15,780.36
255914	Urbandale/Windsor Heights Sanitary Dist	Billing Service Revenue	49,946.82
255915	Veenstra & Kimm, Inc.	Contractors	20,628.68
255916	Voya Financial	Insurance Withholding	9,315.07
255917	Wellmark Blue Cross & Blue Shield of IA	Group Insurance Premiums	24,131.70
255918	Woodland Lake Estate Association	Woodland Lakes Estates Payable	5,562.76
255919	Master Single Payment Vendor	Refunds	68.43
255920	Master Single Payment Vendor	Refunds	52.83
255921	Voided Check		0.00

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<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
255922	Master Single Payment Vendor	Refunds	157.94
255923	Master Single Payment Vendor	Refunds	45.09
255924	Master Single Payment Vendor	Refunds	78.10
255925	Master Single Payment Vendor	Refunds	132.27
255926	Master Single Payment Vendor	Refunds	22.66
255927	Master Single Payment Vendor	Refunds	40.62
255928	Master Single Payment Vendor	Refunds	111.36
255929	Master Single Payment Vendor	Refunds	63.55
255930	Master Single Payment Vendor	Refunds	20.88
255931	Master Single Payment Vendor	Refunds	43.50
255932	Master Single Payment Vendor	Refunds	148.83
255933	Master Single Payment Vendor	Refunds	122.59
255934	Master Single Payment Vendor	Refunds	104.08
255935	Master Single Payment Vendor	Refunds	58.24
255936	Master Single Payment Vendor	Refunds	80.40
255937	Master Single Payment Vendor	Refunds	7.96
255938	Master Single Payment Vendor	Refunds	82.62
255939	Master Single Payment Vendor	Refunds	120.57
255940	Master Single Payment Vendor	Refunds	33.06
255941	Master Single Payment Vendor	Refunds	67.75
255942	Master Single Payment Vendor	Refunds	36.69
255943	AT&T Mobility	Cell Phones	94.06
255944	Acme Tools	Inventory	312.46
255945	Acme Tools	Inventory	94.99
255946	Ahlers, Cooney, PC	Legal Fees	265.50
255947	Air Products	Inventory	417.60
255948	Badger Daylighting	Contractors	1,415.10
255949	Bob Brown Chevrolet, Inc.	Vehicle Maintenance Materials	173.18
255950	Bonnie's Barricades	Contractors	649.60
255951	CFI Tire Service	Purchased Services	292.00
255952	Capital Sanitary Supply	Inventory	34.77
255953	Carquest	Vehicle Maintenance Materials	639.60
255954	Cintas	Purchased Services	1,811.23
255955	City Supply Corporation	Vehicle Maintenance Materials	36.63
255956	City of Des Moines	Contractors	680.00
255957	City of Des Moines	Purchased Services	290.00
255958	Copy Systems, Inc.	Printing & Copies	172.13
255959	Copycat Prints	Contractors	228.40
255960	Core and Main	Inventory	397.38
255961	Corrosion Fluid Products	Inventory	244.29
255962	DXP	Inventory	649.39
255963	Dustin Heglin	Safety Boots	245.00
255964	Ed Clark	Mileage	102.48
255965	Electrical Engineering & Equipment Co.	Inventory	85.68
255966	Employee and Family Resources	Consultants	600.00
255967	Factory Motor Parts Company	Materials & Supplies	244.59
255968	Fastenal Company	Inventory	255.05
255969	Fidelity Security Life	Vision Withholding	857.28
255970	Fisher Scientific	Materials & Supplies	769.31
255971	Gilcrest Jewett Lumber Company	Inventory	206.16
255972	Global Industrial Company Inc.	Vehicle Maintenance Materials	536.94
255973	Grainger, Inc.	Inventory	1,680.39
255974	Graybar Electric Company	Inventory	675.35
255975	Home City Ice	Park Materials	171.60
255976	IP Pathways, LLC	Data Processing Equipment	1,959.46
255977	Industrial Glassware	Materials & Supplies	1,704.60
255978	Integra Chemical	Materials & Supplies	1,943.70

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<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
255979	Iowa Public Radio	Advertising	770.40
255980	John Lins	Conference	761.18
255981	Kyle Simpson	Safety Glasses	304.55
255982	MSC Industrial Supply Company	Inventory	203.69
255983	MTI Distributing	Vehicle Maintenance Materials	128.66
255984	McMaster-Carr Supply Company	Inventory	440.77
255985	Melissa Fuller	Mileage	491.23
255986	Menard's	Vehicle Maintenance Materials	286.52
255987	Mid American Energy	Utilities - Electric & Natural Gas	1,324.04
255988	Motion Industries	Inventory	650.14
255989	O'Reilly Auto Parts	Vehicle Maintenance Materials	37.16
255990	Plumb Supply Company	Inventory	481.43
255991	Premier Safety	Inventory	795.22
255992	Proctor Mechanical	Contractors	2,463.26
255993	Reppert Rigging & Hauling Co.	Contractors	400.00
255994	Revenue Advantage	Purchased Services	950.00
255995	Roy's Towing and Recovery	Purchased Services	435.00
255996	Servicemaster Commercial Carpet, Inc.	Purchased Services	880.00
255997	Springer Pest Solutions DSM	Purchased Services	68.00
255998	Stetson Building Products	Inventory	46.26
255999	Subsurface Solutions	Materials & Supplies	654.16
256000	Ted Corrigan	Conference	201.80
256001	Telelanguage, Inc	Purchased Services	980.97
256002	Thyssenkrupp Elevator Corporation	Purchased Services	1,144.00
256003	Tierpoint	Consultants	1,211.50
256004	Total Tool	Inventory	374.55
256005	U.S. Autoforce	Vehicle Maintenance Materials	191.58
256006	ULINE	Inventory	255.05
256007	UPHDM Occupational Medicine	Purchased Services	423.00
256008	UPS	Delivery/Freight	20.69
256009	USA Bluebook	Inventory	1,221.44
256010	Utility Equipment Company	Inventory	2,260.54
256011	Van Meter Industrial, Inc.	Inventory	1,772.63
256012	Veenstra & Kimm, Inc.	Contractors	1,973.00
256013	Vessco	Inventory	468.11
256014	Waste Management of Iowa Inc.	Purchased Services	1,814.04
256015	Waste Solutions of Iowa	Purchased Services	1,430.00
256016	Wex Bank	Gasoline	169.83
256017	Ziegler Inc.	Vehicle Maintenance Materials	539.22
256018	Amazon Capital Services Inc	Materials & Supplies	3,348.68
256019	B & C Commercial Cleaning L.C.	Purchased Services	5,380.00
256020	Baker Group	Purchased Services	23,538.93
256021	CTI Ready Mix	Concrete	7,773.50
256022	Dickinson, Mackaman, Tyler, & Hagen, PC	Legal Fees	6,811.00
256023	Dixie Petro-Chem, Inc.	Inventory	11,748.74
256024	Douglas K. Oscarson	Consultants	2,508.60
256025	Iowa Interstate Railroad	Contractors	9,656.25
256026	Kemira Water Solutions, Inc	Inventory	11,942.81
256027	Mississippi Lime Company	Inventory	42,001.68
256028	Municipal Supply, Inc.	Inventory	15,263.70
256029	Neptune Technology Group Inc	Inventory	20,448.86
256030	Plant Tours Communication	Materials & Supplies	4,975.00
256031	Pratum, Inc	Purchased Services	7,050.00
256032	Scotty's Body Shop, Inc.	Purchased Services	2,849.92
256033	Truck Equipment, Inc.	Vehicle Maintenance Materials	20,981.00
256034	Univar	Inventory	5,888.26
256035	Verizon Wireless Messaging Service	Cell Phones	4,900.47

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256036	Warren Water District	Purchased Services	2,842.40
256037	Master Single Payment Vendor	Refunds	176.68
256038	Master Single Payment Vendor	Refunds	77.69
256039	Master Single Payment Vendor	Refunds	160.90
256040	Master Single Payment Vendor	Refunds	13.47
256041	Master Single Payment Vendor	Refunds	63.87
256042	Master Single Payment Vendor	Refunds	22.24
256043	Master Single Payment Vendor	Refunds	52.03
256044	Master Single Payment Vendor	Refunds	14.60
256045	Master Single Payment Vendor	Refunds	117.30
256046	Master Single Payment Vendor	Refunds	48.04
256047	Master Single Payment Vendor	Refunds	143.16
256048	Master Single Payment Vendor	Refunds	55.64
256049	Master Single Payment Vendor	Refunds	84.83
256050	Master Single Payment Vendor	Refunds	107.31
256051	Master Single Payment Vendor	Refunds	64.52
256052	Master Single Payment Vendor	Refunds	136.06
256053	Master Single Payment Vendor	Refunds	17.83
256054	Master Single Payment Vendor	Refunds	131.00
256055	Master Single Payment Vendor	Refunds	98.17
256056	Master Single Payment Vendor	Refunds	41.53
256057	Master Single Payment Vendor	Refunds	20.22
256058	Master Single Payment Vendor	Refunds	492.19
256059	Master Single Payment Vendor	Refunds	40.43
256060	Master Single Payment Vendor	Refunds	146.30
256061	Master Single Payment Vendor	Refunds	64.91
256062	Master Single Payment Vendor	Refunds	64.79
256063	Master Single Payment Vendor	Refunds	30.00
256064	Master Single Payment Vendor	Refunds	121.64
256065	Master Single Payment Vendor	Refunds	71.96
256066	Master Single Payment Vendor	Refunds	65.46
256067	Master Single Payment Vendor	Refunds	148.67
256068	Master Single Payment Vendor	Refunds	10.51
256069	Master Single Payment Vendor	Refunds	33.89
256070	Master Single Payment Vendor	Refunds	150.04
256071	Master Single Payment Vendor	Refunds	65.16
256072	Master Single Payment Vendor	Refunds	186.00
256073	Master Single Payment Vendor	Refunds	168.29
256074	Master Single Payment Vendor	Refunds	54.86
256075	Voided Check		0.00
256076	Master Single Payment Vendor	Refunds	19.95
256077	Master Single Payment Vendor	Refunds	109.05
256078	Master Single Payment Vendor	Refunds	117.46
256079	Master Single Payment Vendor	Refunds	248.55
256080	Master Single Payment Vendor	Refunds	127.47
256081	Master Single Payment Vendor	Refunds	57.32
256082	Master Single Payment Vendor	Refunds	25.76
256083	Master Single Payment Vendor	Refunds	40.21
256084	Master Single Payment Vendor	Refunds	105.67
256085	Master Single Payment Vendor	Refunds	45.73
256086	Master Single Payment Vendor	Refunds	122.65
256087	Master Single Payment Vendor	Refunds	163.36
256088	Master Single Payment Vendor	Refunds	1,810.89
256089	Master Single Payment Vendor	Refunds	35.58
256090	Master Single Payment Vendor	Refunds	146.23
256091	Master Single Payment Vendor	Refunds	108.38
256092	Master Single Payment Vendor	Refunds	48.64

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256093	Master Single Payment Vendor	Refunds	45.01
256094	Master Single Payment Vendor	Refunds	71.65
256095	Master Single Payment Vendor	Refunds	153.56
256096	Master Single Payment Vendor	Refunds	133.92
256097	Master Single Payment Vendor	Refunds	51.70
256098	Master Single Payment Vendor	Refunds	127.47
256099	Master Single Payment Vendor	Refunds	1,302.45
256100	Master Single Payment Vendor	Refunds	15.81
256101	Master Single Payment Vendor	Refunds	39.04
256102	Master Single Payment Vendor	Refunds	100.86
256103	Master Single Payment Vendor	Refunds	56.43
256104	Master Single Payment Vendor	Refunds	35.99
256105	Master Single Payment Vendor	Refunds	121.21
256106	Master Single Payment Vendor	Refunds	104.07
256107	Master Single Payment Vendor	Refunds	82.28
256108	Master Single Payment Vendor	Refunds	10.41
256109	Master Single Payment Vendor	Refunds	79.12
256110	AFSCME	Union Dues Payable	70.42
256111	AFSCME Local 3861-3	Union Dues Payable	2,491.98
256112	Acme Tools	Inventory	175.15
256113	Air-Mach Air Compressor &	Materials & Supplies	155.00
256114	Airgas North Central	Tools	2,011.27
256115	Bob Brown Chevrolet, Inc.	Vehicle Maintenance Materials	283.75
256116	Brad Adams	Materials & Supplies	129.41
256117	Capital Sanitary Supply	Inventory	107.30
256118	Cintas	Materials & Supplies	56.25
256119	City Supply Corporation	Materials & Supplies	286.00
256120	City of Des Moines	Contractors	1,215.00
256121	Commercial Bag & Supply Co	Inventory	299.00
256122	Construction & Aggregate Products, Inc.	Materials & Supplies	446.25
256123	Copycat Prints	Contractors	284.29
256124	Core and Main	Inventory	1,152.93
256125	Cross Technologies, Inc.	Purchased Services	250.50
256126	DXP	Inventory	103.10
256127	Des Moines Iron Company	Vehicle Maintenance Materials	477.18
256128	Electrical Engineering & Equipment Co.	Materials & Supplies	430.32
256129	Fire Hose Direct	Materials & Supplies	800.00
256130	Fisher Scientific	Materials & Supplies	188.06
256131	Grainger, Inc.	Inventory	773.50
256132	Graybar Electric Company	Inventory	1,568.27
256133	Home City Ice	Park Materials	99.00
256134	Indelco Plastics	Inventory	441.73
256135	Iowa Department of Agriculture	Purchased Services	168.00
256136	Jason Carlstrom	Casualty Losses	169.06
256137	Jeff Ries	Safety Clothing	200.00
256138	Kustom Concrete Pumping	Contractors	808.90
256139	MSC Industrial Supply Company	Inventory	39.40
256140	McMaster-Carr Supply Company	Inventory	159.35
256141	Metro Rental	Purchased Services	224.50
256142	Mike Haines	Safety Clothing	36.04
256143	Napa Auto Parts	Vehicle Maintenance Materials	795.82
256144	Neptune Technology Group Inc	Inventory	2,174.27
256145	Novaspect	Inventory	417.57
256146	Perkin-Elmer Corporation	Materials & Supplies	154.00
256147	Plumb Supply Company	Materials & Supplies	187.97
256148	Premier Safety	Inventory	923.79
256149	Railroad Management Company IV LLC	Purchased Services	545.88

PAYMENTS FOR SEPTEMBER, 2021

PeopleSoft Financials

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<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
256150	Semper Fi Fund	Charitable PR Deduction	128.00
256151	Star Equipment, Ltd.	Vehicle Maintenance Materials	12.01
256152	Stetson Building Products	Inventory	302.40
256153	Tension Envelope Corporation	Inventory	1,548.80
256154	Tom Deatsch	Safety Boots	160.49
256155	Total Tool	Inventory	410.57
256156	USA Bluebook	Inventory	1,054.02
256157	USA Safety Supply Corp	Inventory	44.05
256158	United Way of Central Iowa	Charitable PR Deduction	120.00
256159	Utility Equipment Company	Inventory	1,607.05
256160	Vessco	Materials & Supplies	1,897.93
256161	Waste Management of Iowa Inc.	Purchased Services	275.00
256162	Chemtrade Chemicals US LLC	Inventory	15,611.60
256163	EHS Resource Group LLC	Training	3,300.00
256164	Hach Chemical Company	Materials & Supplies	2,589.82
256165	JEO Consulting Group, Inc	Contractors	17,751.25
256166	Kemira Water Solutions, Inc	Inventory	5,888.96
256167	Mid American Energy	Utilities - Electric & Natural Gas	276,160.93
256168	Mississippi Lime Company	Inventory	41,896.13
256169	Municipal Supply, Inc.	Inventory	4,622.90
256170	Voided Check		0.00
256171	Revize Software Systems	Contractors	29,050.00
256172	Synagro Central, LLC	Contractors	207,200.84
256173	Synergy Contracting LLC	Contractors	326,629.53
256174	Waldinger Corporation	Contractors	25,529.92
256175	Master Single Payment Vendor	Refunds	45.35
256176	Master Single Payment Vendor	Refunds	144.43
256177	Master Single Payment Vendor	Refunds	35.21
256178	Master Single Payment Vendor	Refunds	143.34
256179	Master Single Payment Vendor	Refunds	45.13
256180	Master Single Payment Vendor	Refunds	15.80
256181	Master Single Payment Vendor	Refunds	216.96
256182	Master Single Payment Vendor	Refunds	27.14
256183	Master Single Payment Vendor	Refunds	153.15
256184	Master Single Payment Vendor	Refunds	121.72
256185	Master Single Payment Vendor	Refunds	30.05
256186	Master Single Payment Vendor	Refunds	130.35
256187	Master Single Payment Vendor	Refunds	43.12
256188	Master Single Payment Vendor	Refunds	45.05
256189	Master Single Payment Vendor	Refunds	143.85
256190	Master Single Payment Vendor	Refunds	180.81
256191	Master Single Payment Vendor	Refunds	32.63
256192	Master Single Payment Vendor	Refunds	80.21
256193	Master Single Payment Vendor	Refunds	111.63
256194	Master Single Payment Vendor	Refunds	54.05
256195	Master Single Payment Vendor	Refunds	10.28
256196	Master Single Payment Vendor	Refunds	150.17
256197	Master Single Payment Vendor	Refunds	158.21
256198	Master Single Payment Vendor	Refunds	68.70
256199	Master Single Payment Vendor	Refunds	137.16
256200	Master Single Payment Vendor	Refunds	79.51
256201	Master Single Payment Vendor	Refunds	20.97
256202	Master Single Payment Vendor	Refunds	175.04
256203	Master Single Payment Vendor	Refunds	150.56
256204	Master Single Payment Vendor	Refunds	9.98
256205	Master Single Payment Vendor	Refunds	161.38
256206	Master Single Payment Vendor	Refunds	138.43

PAYMENTS FOR SEPTEMBER, 2021

PeopleSoft Financials

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<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
256207	Master Single Payment Vendor	Refunds	174.24
256208	Master Single Payment Vendor	Refunds	43.27
256209	Master Single Payment Vendor	Refunds	44.49
256210	Master Single Payment Vendor	Refunds	61.83
256211	Master Single Payment Vendor	Refunds	18.46
256212	Master Single Payment Vendor	Refunds	103.21
256213	Master Single Payment Vendor	Refunds	21.08
256214	Master Single Payment Vendor	Refunds	5.99
256215	Master Single Payment Vendor	Refunds	160.17
256216	Master Single Payment Vendor	Refunds	9.39
256217	Master Single Payment Vendor	Refunds	112.69
256218	Master Single Payment Vendor	Refunds	157.50
256219	Master Single Payment Vendor	Refunds	159.75
256220	Master Single Payment Vendor	Refunds	40.73
256221	Acme Tools	Inventory	150.73
256222	Airgas North Central	Materials & Supplies	632.48
256223	Amazon Capital Services Inc	Materials & Supplies	341.88
256224	Analytical Technology	Inventory	1,103.58
256225	Bearing Distributors Inc.	Inventory	57.99
256226	Blackburn Manufacturing Company	Inventory	417.68
256227	Bob Brown Chevrolet, Inc.	Vehicle Maintenance Materials	67.68
256228	Brian Welker	Safety Glasses	128.40
256229	Business Furniture Warehouse	Materials & Supplies	440.00
256230	CPI International	Inventory	913.01
256231	Capital Sanitary Supply	Inventory	792.38
256232	Central States Group	Inventory	328.13
256233	City Supply Corporation	Materials & Supplies	70.21
256234	City of Des Moines	Contractors	1,200.00
256235	Combined Systems Technology, Inc.	Materials & Supplies	1,430.00
256236	Consolidated Electrical Distributors	Materials & Supplies	99.98
256237	Construction & Aggregate Products, Inc.	Inventory	693.00
256238	Construction Materials, Inc.	Materials & Supplies	1,123.20
256239	Consumer Energy	Electrical Power	364.71
256240	Core and Main	Inventory	815.46
256241	Corrosion Fluid Products	Inventory	1,153.10
256242	D.J. Gongol & Associates, Inc	Materials & Supplies	1,029.00
256243	DXP	Inventory	197.94
256244	Des Moines Iron Company	Vehicle Maintenance Materials	728.76
256245	Dultmeier Sales LLC	Vehicle Maintenance Materials	8.49
256246	ESI	Inventory	529.98
256247	Environmental Express	Inventory	417.06
256248	Evoqua Water Technologies LLC	Inventory	1,893.04
256249	Fastenal Company	Inventory	40.87
256250	Fidelity Security Life	Vision Withholding	1,079.66
256251	Fisher Scientific	Materials & Supplies	149.38
256252	Gilcrest Jewett Lumber Company	Vehicle Maintenance Materials	1,225.87
256253	Graphic Products	Materials & Supplies	479.94
256254	Graybar Electric Company	Inventory	755.03
256255	Hach Chemical Company	Inventory	124.50
256256	Home City Ice	Park Materials	237.60
256257	IMEG Corp	Consultants	872.00
256258	Image Solutions	Materials & Supplies	506.00
256259	Indelco Plastics	Inventory	41.65
256260	International Foundation of Employee	Dues and Memberships	325.00
256261	Iowa Prison Industries	Materials & Supplies	22.15
256262	Jennifer Terry	Dues and Memberships & Mileage	445.36
256263	Jo Brouwer	Materials & Supplies	61.83

PAYMENTS FOR SEPTEMBER, 2021

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<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
256264	Killian's Custom Metals	Vehicle Maintenance Materials	134.67
256265	Language Testing International	Materials & Supplies	63.00
256266	Lawson Products, Inc.	Inventory	55.49
256267	Logan Contractors Supply, Inc.	Inventory	1,819.83
256268	MAC Corp	Casualty Losses	378.68
256269	MSC Industrial Supply Company	Inventory	60.08
256270	McDonald Supply	Materials & Supplies	1,437.72
256271	McMaster-Carr Supply Company	Materials & Supplies	1,990.59
256272	Megan McDowell Photography	Consultants	909.09
256273	Menard's	Vehicle Maintenance Materials	342.02
256274	Menard's	Materials & Supplies	49.26
256275	Midwest Wheel Companies	Materials & Supplies	251.49
256276	Nite Owl Printing	Printing & Copies	1,972.00
256277	Ottsen Oil Company	Vehicle Maintenance Materials	2,005.03
256278	Plumb Supply Company	Inventory	246.11
256279	Pollard Company	Inventory	488.60
256280	Postmaster	Postage	265.00
256281	Practical Farmers of Iowa	Dues and Memberships	110.00
256282	Premier Safety	Inventory	372.47
256283	Radwell International	Materials & Supplies	1,421.07
256284	Rick's Towing	Purchased Services	325.00
256285	Savanna Wentland	Safety Boots & Safety Clothing	142.83
256286	Shane Scott	Licenses & Certifications	80.00
256287	Star Equipment, Ltd.	Inventory	297.41
256288	Stetson Building Products	Materials & Supplies	74.20
256289	Swan Analytical Instruments	Inventory	773.35
256290	Team Services, Inc.	Contractors	575.12
256291	Thyssenkrupp Elevator Corporation	Purchased Services	675.92
256292	Tompkins Industries, Inc.	Vehicle Maintenance Materials	277.26
256293	Total Tool	Inventory	76.17
256294	Truck Equipment, Inc.	Vehicle Maintenance Materials	150.34
256295	True North Controls	Inventory	177.40
256296	U.S. Autoforce	Vehicle Maintenance Materials	448.46
256297	ULINE	Vehicle Maintenance Materials	295.75
256298	UPS	Delivery/Freight	63.06
256299	USA Bluebook	Materials & Supplies	840.12
256300	USA Safety Supply Corp	Materials & Supplies	211.58
256301	VWR International LLC	Inventory	1,006.44
256302	Air Products	Inventory	9,653.99
256303	Bonnie's Barricades	Contractors	7,038.75
256304	CTI Ready Mix	Concrete	14,146.00
256305	CarbPure	Inventory	41,619.20
256306	Chemtrade Chemicals US LLC	Inventory	15,047.40
256307	Cintas	Purchased Services	4,096.14
256308	Consolidated Water Solutions	Inventory	7,879.99
256309	Contract Specialty, L.C.	Park Materials	3,259.80
256310	Dixie Petro-Chem, Inc.	Inventory	13,650.39
256311	Douglas K. Oscarson	Consultants	3,452.10
256312	DuBois Chemicals, INC	Inventory	9,525.68
256313	EUROFINS Test America Sacramento	Purchased Services	2,605.00
256314	Grainger, Inc.	Vehicle Maintenance Materials	2,940.76
256315	HDR Engineering	Contractors	15,622.19
256316	Hawkins Water Treatment Group	Inventory	13,248.49
256317	IDEXX Laboratories, Inc.	Materials & Supplies	3,276.60
256318	Iowa Environmental Council	Materials & Supplies	2,500.00
256319	Kemira Water Solutions, Inc	Inventory	12,376.99
256320	Lumen Technologies	Casualty Losses	24,900.00

PAYMENTS FOR SEPTEMBER, 2021

PeopleSoft Financials

Report ID: DWAPR002.sqr

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
256321	Mid American Energy	Utilities - Electric & Natural Gas	82,674.27
256322	Mississippi Lime Company	Inventory	37,338.33
256323	Municipal Supply, Inc.	Inventory	21,560.51
256324	Principal Life Insurance	Pension Plan Contribution	370,790.00
256325	Stanley Consultants	Contractors	3,013.50
256326	State Hygienic Laboratory	Purchased Services	4,395.00
256327	Synergy Contracting LLC	Contractors	137,801.30
256328	Utility Equipment Company	Inventory	4,239.35
256329	Verizon ConnectTelo, Inc.	Materials & Supplies	3,847.50
256330	Vessco	Inventory	3,087.53
256331	Whatcha Smokin BBQ & Brew	Food & Beverages	3,644.00
256332	David Glunt	Vehicle Maintenance Materials	1,250.00
256333	Iowa Department of Natural Resources	Purchased Services	204.00
256334	Master Single Payment Vendor	Refunds	71.45
256335	Master Single Payment Vendor	Refunds	110.36
256336	Master Single Payment Vendor	Refunds	70.11
256337	Master Single Payment Vendor	Refunds	120.59
256338	Master Single Payment Vendor	Refunds	377.20
256339	Master Single Payment Vendor	Refunds	127.09
256340	Master Single Payment Vendor	Refunds	256.28
256341	Master Single Payment Vendor	Refunds	103.76
256342	Master Single Payment Vendor	Refunds	32.17
256343	Master Single Payment Vendor	Refunds	15.22
256344	Master Single Payment Vendor	Refunds	119.50
256345	Master Single Payment Vendor	Refunds	1,737.33
256346	Master Single Payment Vendor	Refunds	17.76
256347	Master Single Payment Vendor	Refunds	126.78
256348	Master Single Payment Vendor	Refunds	75.29
256349	Master Single Payment Vendor	Refunds	29.82
256350	Master Single Payment Vendor	Refunds	8.80
256351	Master Single Payment Vendor	Refunds	545.87
256352	Master Single Payment Vendor	Refunds	46.00
256353	Master Single Payment Vendor	Refunds	126.53
256354	Master Single Payment Vendor	Refunds	16.47
256355	Master Single Payment Vendor	Refunds	140.07
256356	Master Single Payment Vendor	Refunds	5.12
256357	Master Single Payment Vendor	Refunds	89.77
256358	Master Single Payment Vendor	Refunds	1,666.03
256359	Master Single Payment Vendor	Refunds	13.47
256360	Master Single Payment Vendor	Refunds	14.71
946936	IPERS Collections	Pension Plan Contribution	210,557.31
090321	Collection Services Center	Garnishment of Wages	1,828.89
090321	Treasurer State of Iowa	State Withholding Taxes Payable	26,705.87
090321	Internal Revenue Service	Withholding Taxes Payable	165,099.04
090121	EBS	Employee Health Premiums	292,991.99
091721	Collection Services Center	Garnishment of Wages	1,828.89
091721	Treasurer State of Iowa	State Withholding Taxes Payable	27,149.07
091721	Internal Revenue Service	Withholding Taxes Payable	167,806.42
093021	EBS	Employee Health Premiums	23,134.69
093021	CBCS	Compensation Claims	6,956.32
TOTAL			<u>\$4,991,680.17</u>

CEO APPROVED EXPENDITURES GREATER THAN \$20,000
MONTHLY SCHEDULE FOR THE MONTH OF SEP 2021

Check #	Vendor	Description	Amount	Details
256171	Revize Software Systems	Contractors	29,050.00	Completion of new website. Funds were budgeted in a prior year.

AGENDA ITEM FORM

SUBJECT: 2022 Employee Benefit Insurance Renewals

SUMMARY:

The following insurance carriers are recommended to provide employee benefits in 2022:

Medical Insurance: We began our partnership with the Iowa Governmental Health Care Plan Trust this year and continue coverage with Wellmark BCBS offering a choice of three plan designs (a plan without a deductible, a plan with a \$500 single/\$1000 family deductible, and a high deductible plan with a Health Savings Account). Our current health insurance premiums are effective through June 30, 2022. There is **no increase** effective January 1, 2022. We will receive a renewal in Spring 2022.

Retiree Medical Insurance: Continue Employer Group Retiree Program plans administered by Wellmark for retirees over age 65. The premium for the Employer Group Retiree Program Plan II will increase by **1.97%** for 2022. Note that retirees under age 65 will be covered by the Wellmark plans listed above.

Dental Insurance: Continue self-insuring the dental plan with administration provided by Delta Dental of Iowa at the rate of \$27.47 per month for single coverage and \$89.44 per month for family coverage. This represents a **0%** increase in the rates.

Vision Insurance: Change carriers from Avesis to Delta Dental of Iowa. The DeltaVision Fit & Follow-Up plan would offer enhanced benefits including an annual eye examination not covered by our current carrier. Rates would **decrease** by **28.11%**.

Basic Life Insurance/AD&D: Continue to partner with the City of Des Moines and their carrier, Voya, at the rate of \$0.16 per \$1,000 of coverage. This represents a **1.11%** increase in the rate.

Long Term Disability Insurance: Continue partnership with the City of Des Moines and their carrier, Voya, at the rate of .184% of covered monthly earnings. This is a **0%** increase in the rate.

FISCAL IMPACT:

Effective January 1, 2021, DMWW entered an 18-month agreement with the Iowa Governmental Health Care Plan Trust in which our current health insurance rates are guaranteed through June 30, 2022. The DMWW contribution towards the health insurance premium approved by the Board for 2021 is currently \$712.78/month for single and \$1,766.93/month for family. The 2021 contribution resulted in a 90-10 cost share between DMWW and the employee on the standard deductible plan. Our recommendation is to again provide the same monthly 90-10 cost share for 2022. We will receive a renewal from IGHP in the Spring of 2022. We won't know until that time if there is a proposed increase based on our claims experience effective July 1, 2022. The budgeted DMWW contribution to medical insurance will increase by approximately \$318,900 for 2022 over 2021. The 2022 DMWW contribution to medical insurance will total approximately \$3,851,100.

For retiree medical insurance, DMWW will contribute \$223/month, an amount equal to the Employer Group Retiree Program Plan II premium, toward the retiree's insurance cost. The DMWW contribution to retiree health insurance for 2022 will be approximately \$269,000.

The dental insurance and vision insurance premiums will have no direct impact to budget, as employees voluntarily purchase it with their flex dollars or out-of-pocket dollars. The life and AD&D insurance premium for 2022 will total approximately \$29,800 annually. The LTD insurance premium totals approximately \$30,000 annually. Note DMWW provides \$151.50 per employee each month in flex dollars, which the employee may apply towards health insurance or other voluntary benefit elections. The total cost for providing this benefit in 2022 will be approximately \$378,100.

RECOMMENDED ACTION:

Approve recommended employee benefit insurance providers and rates for the year 2022.

BOARD REQUIRED ACTION:

Motion to approve the 2022 employee benefits insurance providers and rates.

 Doug Garnett Director of Human Resources	 Amy Kahler Chief Financial Officer	 Ted Corrigan, P.E. CEO and General Manager
10/26/2021 (date)	10/27/21 (date)	10/26/21 (date)

Attachments: Memo-2022 Employee Benefits Insurance Renewals

MEMORANDUM

DATE: October 20, 2021

TO: Ted Corrigan, CEO and General Manager

FROM: Doug Garnett, Director of Human Resources

SUBJECT: 2022 Employee Benefit Insurance Renewals

Below are the new renewal rates for 2022 for our employee insurance benefits.

Medical Insurance

As you know, we began offering health coverage under our new partnership through a Chapter 28E agreement with the Iowa Governmental Health Care Plan Trust. This change was effective January 1, 2021. With the transition to the IGHCP Trust, our health insurance premiums are guaranteed through June 30, 2021.

The DMWW contribution towards the health insurance premium approved by the Board for 2021 is currently \$712.78/month for single and \$1,766.93/month for family. The 2021 contribution resulted in a 90-10 cost share between DMWW and the employees on the standard deductible plan. Our recommendation is to again provide the same monthly 90-10 cost share for 2022.

The budgeted DMWW contribution will increase by \$318,900 for 2022 over 2021. We will receive a renewal from IGHCP in the Spring of 2022. We won't know until that time if there is a proposed increase based on our claims experience effective July 1, 2022.

Single and family rates for all three of the Wellmark BCBS plans through June 30, 2022 would remain as follows:

2022 Monthly Rates	High Deductible/HSA	\$500/\$1,000 Deductible	\$0 Deductible
Single	\$651.56	\$791.98	\$862.88
Family	\$1,612.17	\$1,963.25	\$2,140.45

Retiree Medical Insurance

Early DMWW retirees are covered by the group plan (if under age 65) or by a retiree plan administered by Wellmark (if over age 65). DMWW contributes an amount equal to the retiree plan II toward the retiree's insurance cost. The premiums for the Employer Group Retiree Program Plan II will increase by 1.97% to \$223 per month.

Dental Insurance

Delta Dental of Iowa is our claims administrator for our self-insured plan. DMWW incurs no cost by providing dental insurance as it is 100% funded by employee premiums. Based on claims for 2021, we determined that **no increase** in the monthly premium was needed in order to maintain the necessary level of reserves for this self-funded plan. The premiums for 2022 will remain at \$27.47/month for single and \$89.44/month for family coverage.

Vision Insurance

With the transition to the IGHCP Trust, our medical insurance plans no longer pay for an annual eye exam. Our current vision carrier also does not cover an annual eye exam. We asked our benefits broker, Holmes Murphy, to market our vision plan and consider options that include an annual eye exam. Based on the quotes received, we recommend changing to the DeltaVision Fit & Follow-Up plan which offers enhanced benefits including an annual eye examination. The rates would also decrease by 28.11% for 2022.

Life/AD&D and Long-Term Disability Insurance

Since 2014 we have partnered with the City of Des Moines and utilize their carrier (Voya) for our life and long term disability insurance (LTD) insurance. Our term life rates have increased to \$.14 per \$1,000. The AD&D rate remains at \$.02 per \$1,000. The LTD rate also remains at \$.184% of covered monthly earnings.

Flex Dollars

Des Moines Water Works currently provides a Section 125 cafeteria benefits plan and \$151.50/month in “flex” benefit dollars. This amount is negotiated with AFSCME for each full-time employee per month. Employees use these flex dollars to help pay for health insurance and/or other voluntary benefits of their choosing.

Your approval of the recommended employee benefit insurance providers and rates for the year 2022 is requested.

AGENDA ITEM FORM

SUBJECT: 2022 Corporate Insurance

SUMMARY:

The renewal date for corporate insurance policies is November 1, 2021. The total premium cost and agency fees for the current and renewal programs are summarized below:

	<u>Current</u>	<u>Renewal</u>
• Property/Boiler & Machinery	\$240,952	\$240,828
• Inland Marine	19,599	20,607
• General Liability	265,439	272,961
• Auto Liability	62,275	62,497
• Packaged Terrorism Premium	7,783	7,740
• Umbrella Liability	299,396	390,562
• Crime	3,200	3,200
• D & O/Employment Practices Liability	53,662	51,683
• Fiduciary Liability	5,723	5,723
• Cyber Liability	38,183	59,000
• Flood	12,669	13,813
• Workers Compensation	98,311	98,311
• Broker Service Fee	15,000	15,000
• Less Commission Received	(5,785)	(5,872)
Total Cost	\$1,116,407	\$1,236,053

FISCAL IMPACT:

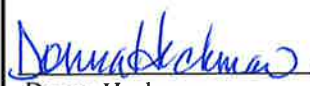
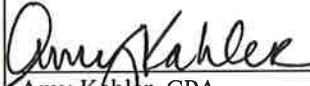

\$1,286,500 has been budgeted for insurance premiums in the Financial Services work plan of the 2022 budget. Total in this work plan is \$1,586,500 which includes workers compensation claims and other related expenses.

RECOMMENDED ACTION:

Accept insurance program renewal submitted by LMC Insurance & Risk Management.

BOARD REQUIRED ACTION:

Motion to accept insurance program renewal submitted by LMC Insurance & Risk Management.

 Donna Heckman Sr. Financial Analyst	 Amy Kahler, CPA Chief Financial Officer	 Ted Corrigan CEO and General Manager
10-21-21 (date)	10/21/21 (date)	10/20/21 (date)

Attachments: Memo from Donna Heckman, Sr. Financial Analyst; spreadsheet showing recommendation from LMC.

MEMORANDUM

DATE: October 21, 2021

TO: Ted Corrigan, CEO & General Manager
Amy Kahler, Chief Financial Officer

FROM: Donna Heckman, Senior Financial Analyst

SUBJECT: 2022 Corporate Insurance Renewals

Earlier this year, our corporate insurance broker, LMC Insurance & Risk Management began getting quotes for our November 1, 2021 renewals. Attached is the current premium summary comparing expiring and renewal rates.

Property & General Liability: The change for the Property renewal was an increase of just over 8%. Since these policies have been bundled with Cincinnati as the carrier, the chart below represents the total expiring and renewing premiums.

	Expiring	Renewal
Property	\$240,952	\$240,828
Inland Marine	19,599	20,607
General Liability	265,439	314,443
Automobile	62,275	62,270
Terrorism Premium	7,783	7,740
	\$596,048	\$645,888

Umbrella Liability: DMWW has three layers of Umbrella Liability coverage above our standard General Liability policy above. The costs and coverages are below:

Umbrella Coverage	Coverage	Expiring	Renewal
1st Layer	\$10,000,000	\$144,146	\$178,562
2nd Layer	\$15,000,000	75,000	100,000
3rd Layer	\$25,000,000	80,250	112,000
		<u>\$299,396</u>	<u>\$390,562</u>

Fiduciary Liability: In the 2020 renewal, we increased the limits on our Fiduciary Liability policy. This policy covers civil damages and legal fees arising from lawsuits against pension benefit administrators. We are in the third year of a three-year term with a premium of \$5,723/year.

Cyber Liability: Our current carrier has chosen to no longer offer coverage to utilities. Because of this, LMC has had to go out to the market to find us coverage. With the increase in cybersecurity claims, insurance carriers are scrutinizing cybersecurity controls and are being cautious in underwriting new policies. At the time of this memo, we do not have final costs for our November renewal. We will have an update on the final costs at the Board Meeting.

Workers Compensation: Beginning January 1, 2014, we began self-insuring for Workers Compensation. DMWW is in the second year of a two-year contract with MECC to provide the excess Workers Compensation Liability Policy. This policy protects DMWW against catastrophic losses. Another component of Workers Compensation is the amount paid to our third-party administrator, Cottingham & Butler. This annual cost is expected to remain flat at \$9,500 per year. The final piece of our Workers Compensation costs are the claims themselves. These amounts are budgeted in the Corporate Insurance Work Plan and are expenses paid out of pocket by DMWW.

The total cost of renewing our coverage as presented will increase from \$1,116,407 (for 2021) to \$1,236,053.

Board of Water Works Trustees of the City of Des Moines
Market Premium Summary
Policy Period: 11/1/2021 - 2022

	Proposed	Proposed
Coverage	2020-2021	2021-2022
Property	Cincinnati	Cincinnati
Blanket Property Limit	\$413,241,258	\$419,359,117
Blanket Business Income	\$15,000,000	\$15,000,000
Flood Limit	\$1M/\$5M/\$10M (Varies)	\$1M/\$5M/\$10M (Varies)
Earthquake Limit	\$15,000,000	\$15,000,000
Flood Deductible	\$250,000	\$250,000
Earthquake Deductible	\$250,000	\$250,000
Deductible-All Other	\$100,000	\$100,000
Terrorism	Included	Included
Average Rate	0.050900	0.050900
Total Premium	\$240,952	\$240,828
Commission	(\$2,255)	(\$2,254)
Inland Marine	Cincinnati	Cincinnati
Scheduled Equipment	\$1,934,196	\$1,934,196
Leased or Rented Items	\$125,000	\$125,000
Deductible	\$5,000	\$5,000
EDP Floater:		
Equipment Limit	\$2,900,000	\$2,900,000
Data/Media Limit	N/A	N/A
Deductible	\$5,000	\$5,000
Total Premium	\$19,599	\$20,607
Commission	(\$196)	(\$206)
General Liability	Cincinnati	Cincinnati
General Aggregate	\$2,000,000	\$2,000,000
Products CoOps Limit Aggregate	\$2,000,000	\$2,000,000
Occurrence Limit	\$1,000,000	\$1,000,000
Personal & Advertising Injury	\$1,000,000	\$1,000,000
Damage to Premises Rented to You	\$500,000	\$500,000
Medical Expense (Any one Person)	\$10,000	\$10,000
Deductible - BI & PD	\$25,000 each occurrence	\$25,000 each occurrence
Employee Benefit Occurrence	\$1,000,000	\$1,000,000
Employee Benefit Aggregate	\$3,000,000	\$3,000,000
Employee Benefit Deductible	\$1,000	\$1,000
Total Premium	\$265,439	\$272,961
Commission	(\$2,654)	(\$2,730)
Automobile	Cincinnati	Cincinnati
Automobile Limit	\$2,000,000	\$2,000,000
Retained Limit/ Deductible	N/A	N/A
Total # of units	100	100
Total Premium	\$62,275	\$62,497
Commission	(\$623)	(\$625)
Package Terrorism Premium	\$7,783	\$7,740
	\$596,048	\$604,633
Umbrella	Allied Public Risk	Allied Public Risk
Limits of Liability	\$10,000,000	\$10,000,000
Retention Limit	\$10,000	\$10,000
Total Premium	\$144,146	\$178,562
2nd Layer Umbrella Liability	Great American	Great American
Limit of Liability	\$15,000,000	\$15,000,000
Retention	\$10,000,000	\$10,000,000
Total Premium	\$75,000	\$100,000

Board of Water Works Trustees of the City of Des Moines
Market Premium Summary
Policy Period: 11/1/2021 - 2022

	Proposed	Proposed
Coverage	2020-2021	2021-2022
3rd Layer Umbrella Liability	Westchester Fire	Westchester Fire
Limit of Liability	\$25,000,000	\$25,000,000
Retention	\$25,000,000	\$25,000,000
Total Premium	\$80,250	\$112,000
Crime	Travelers	Travelers
Employee Dishonesty	\$1,000,000	\$1,000,000
Deductible	\$5,000	\$5,000
Annual Premium (3 year term - 2020-2023)	\$3,200	\$3,200
D&O/Employment Practices Liability	Chubb	Chubb
Directors & Officers Liability	\$5,000,000	\$5,000,000
Deductible	\$50,000	\$50,000
Employment Practices Liability	\$5,000,000	\$5,000,000
Deductible	\$100,000	\$100,000
Aggregate Limit	\$5,000,000	\$5,000,000
Total Premium	\$32,772	\$31,183
Excess D&O/Employment Practices Liability	RSUI	RSUI
Directors & Officers Liability	\$5,000,000	\$5,000,000
Deductible		
Total Premium	\$20,890	\$20,500
Fiduciary Liability	Travelers	Travelers
Fiduciary Liability Limit of Liability	\$3,000,000	\$3,000,000
Settlement Program Limit of Liability	\$250,000	\$250,000
HIPAA Limit of Liability	\$1,000,000	\$1,000,000
Deductible	\$0	\$0
Total Premium (3 year contract - thru 11/1/22)	\$5,723	\$5,723
Commission	(\$57)	(\$57)
Cyber Liability	AIG	Travelers
Limit of Liability	Confidential Information Related to CyberSecurity	Confidential Information Related to CyberSecurity
Total Premium	\$25,240	\$59,000
Excess Cyber Liability	AIG	
Limit of Liability	Confidential Information Related to CyberSecurity	Confidential Information Related to CyberSecurity
Total Premium	\$12,943	
Flood - 2201 George Flagg Pkwy - Maintenance	Selective	Selective
Building Limit	\$100,000	\$100,000
Contents Limit	\$20,000	\$20,000
Retention	\$1,500	\$1,500
Total Premium	\$4,491	\$5,527
Flood - 2201 George Flagg Pkwy	Selective	Selective
Building Limit	\$500,000	\$500,000
Contents Limit	\$500,000	\$500,000
Retention	\$1,250	\$1,250
Total Premium	\$8,178	\$8,286

Board of Water Works Trustees of the City of Des Moines
Market Premium Summary
Policy Period: 11/1/2021 - 2022

Coverage	Proposed	Proposed
	2020-2021	2021-2022
Workers Compensation	Various	Various
Excess Liability Policy - MECC	\$88,811	\$88,811
Third Party Administrator - Cottingham & Butler	\$9,500	\$9,500
Work Comp Claims		
Total Premium/Expense (2nd year of 2 year contract)	\$98,311	\$98,311
COMBINED PREMIUMS	\$1,107,192	\$1,226,925
BROKER SERVICE FEE	\$15,000	\$15,000
Less Commission Paid to Broker	-\$5,785	-\$5,872
Total Insurance Premiums & Fees	\$1,116,407	\$1,236,053
Work Comp Claims & Administration (Est)	\$300,000	\$300,000
Total Insurance - Including Work Comp	\$1,403,601	\$1,536,053
Total Corporate Insurance Budgeted	\$1,440,000	\$1,586,500

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. Staff input the 2022 budget into the Raftelis cost of service model. The results of that analysis is the basis for the 2022 rate setting discussions and was the basis for rates presented at the October 2021 Finance & Audit Committee Meeting.

Staff has prepared an executive summary report of the cost of service results using the 2022 budget numbers. Figure 13 summarizes the cost of service (budget) and anticipated revenues (rates) by service area. After the October Finance & Audit meeting, Figure 13 was updated with the "business as usual" rate approach discussed during the October Finance & Audit committee meeting; therefore, Figure 13 in the attached is slightly different than previously presented. 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:

Receive and file the Cost of Service Study.

BOARD REQUIRED ACTION:

Motion to receive and file the Cost of Service Study.

 Donna Heckman Senior Financial Analyst	 Amy Kahler, CPA Chief Financial Officer	 Ted Corrigan, P.E. CEO and General Manager
10/19/21 (date)	10/19/21 (date)	10/20/21 (date)

Attachments: 2022 Water Cost of Service Study

Des Moines Water Works

2022 Water Cost of Service Study

Draft Report / October 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 2022 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 2022 budget prepared by DMWW as a test year. Figure 1 presents a summary of DMWW's FY 2022 budget. The adopted rates, set by DMWW to recover all forecasted expenses, will recover approximately \$73,200,000 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 2022 Budget

	<u>2022 Budget</u>
<u>Revenues</u>	
Rate Revenues	\$ 73,176,757
Other Revenues	3,384,082
Total: Revenues	\$ 76,560,839
<u>Expenses</u>	
O&M Expense	\$ 49,802,234
DMWW Debt Service	460,142
DMWW Capital	25,598,463
Total: Expenses	\$ 75,860,839
Surplus/(Deficit)	\$ 700,000

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 2022, 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 2020 (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 6.0 million kgal (or 6.0 billion gallons) are projected to be used by customers annually in FY 2022. This equates to approximately 16,600 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 1.55 times their average day consumption, or around 25,700 kgal. The difference between the maximum day and average day, around 9,100 kgal, represents that class's 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 2022, less the maximum day demand (57,502 kgal – 25,653 kgal = 31,850 kgal max hour extra capacity units)

Data from DMWW's billing system shows 830,388 customer bills were generated for Inside City Des Moines customers, and this same class of customers has 107,439 equivalent 5/8" meters.

Inside City Des Moines has over 6,318 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	6,043,258	16,557	1.55	25,653	9,096	3.47	57,502	31,850	69,199	830,388	107,439	6,318.02
Des Moines Outside City	197,685	542	2.99	1,622	1,080	6.67	3,614	1,992	1,173	14,076	1,513	207
DM Zoo Water Rate	15,442	42	2.31	98	55	4.98	211	113	2	24	2	-
Subtotal: Retail	6,256,385	17,141	1.59	27,274	10,231	3.58	61,327	33,955	70,374	844,488	108,954	6,525
Full Service												
Polk County	630,116	1,726	1.98	3,426	1,700	4.46	7,700	4,273	7,571	90,852	9,923	2,261
Runnells	9,266	25	1.52	39	13	3.41	87	48	211	2,532	228	23
Cumming	10,810	30	2.79	82	53	6.25	185	103	150	1,800	175	40
Alleman	9,266	25	1.60	41	15	3.59	91	51	177	2,124	320	52
Pleasant Hill Inside City	248,650	681	1.81	1,231	549	4.05	2,758	1,528	4,743	56,916	6,723	424
Pleasant Hill Outside City	869	2	2.44	6	3	5.49	13	7	5	60	5	1
PCRWD #1	23,165	63	1.78	113	49	3.99	253	141	468	5,616	488	50
Berwick Water	33,977	93	1.60	149	56	3.58	334	185	226	2,712	316	105
Windsor Heights	114,284	313	1.54	483	170	3.46	1,085	601	2,179	26,148	2,502	153
Subtotal: Full Service	1,080,403	2,960	1.88	5,570	2,610	4.22	12,506	6,936	15,730	188,760	20,680	3,110
Subtotal: Full Service and Retail	7,336,788	20,101	1.63	32,844	12,841	3.67	73,833	40,891	86,104	1,033,248	129,634	9,635
Wholesale												
Altoona	9,266	25	5.84	148	123	20.95	532	384	1	24		
Ankeny	1,924,329	5,272	1.49	7,871	2,599	3.71	19,577	11,705	1	72		
Bondurant	172,973	474	1.56	741	267	3.50	1,657	916	1	36		
Clive	644,016	1,764	2.14	3,776	2,011	4.77	8,413	4,637	1	108		
Norwalk	296,526	812	2.00	1,621	808	4.40	3,576	1,956	1	36		
Waukee	552,896	1,515	2.16	3,270	1,756	4.73	7,167	3,897	1	24		
Urbandale	1,533,595	4,202	2.26	9,487	5,286	4.88	20,510	11,023	1	60		
Warren Rural Water	589,961	1,616	1.59	2,568	952	3.46	5,586	3,018	1	36		
West Des Moines	854,057	2,340	2.67	6,238	3,898	5.62	13,140	6,902	1	108		
Xenia	671,818	1,841	1.47	2,713	872	3.54	6,519	3,806	1	48		
Polk City	100,386	275	2.62	720	445	5.11	1,404	684	1	12		
West Des Moines - Storage	9,266	25	8.60	218	193	19.22	488	270	1	24		
Johnston	732,049	2,006	2.32	4,652	2,646	4.90	9,834	5,182	1	36		
Water Development Co	15,442	42	1.74	73	31	3.89	165	91	1	24		
Subtotal: Wholesale	8,106,580	22,210	1.99	44,098	21,888	4.44	98,569	54,471	14	648	-	-
Subtotal: Outside City	9,400,110	25,711	1.99	51,290	25,578	4.46	114,688	63,399	16,917	203,484	22,193	3,317
Total: Utility	15,443,368	42,268	1.82	76,942	34,674	4.07	172,191	95,249	86,116	1,033,872	129,632	9,635

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 2022 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 DMMW 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 2022 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 2020. Net book value (also called Original Cost Less Depreciation, or OCLD) and annual book 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</u> <u>Supply</u>	<u>Treatment</u>	<u>Transmission</u>	<u>Distribution</u>	<u>Storage/</u> <u>Pumping</u>	<u>Fire</u> <u>Protection</u>	<u>Admin</u>
Finance	\$ 4,601,312							100.0%
Customer Service	4,123,393							
IT	3,185,636							100.0%
HR	744,046							100.0%
Engineering	1,658,353	8.0%	18.6%	27.2%	33.8%	7.7%	0.0%	2.3%
Transmission and Distribution	11,142,790			27.9%	72.1%			
OCEO	1,620,702							100.0%
Treatment	13,261,443		100.0%					
Source	513,847	100.0%						
Storage/Pumping	2,135,587					100.0%		
Production Administration	6,815,126	3.2%	83.3%			13.4%		
Subtotal: O&M Expenses	\$ 49,802,234	\$ 866,849	\$ 19,249,755	\$ 3,557,607	\$ 8,596,692	\$ 3,178,519	\$ -	\$ 10,189,209
Other Revenue								
Other Items	Items							
Misc Revenue	(3,384,080)							100.0%
Contribution to Reserves	700,000							100.0%
Subtotal: Other Items	\$ (2,684,080)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,684,080)
Total: Net O&M	\$ 47,118,154	\$ 866,849	\$ 19,249,755	\$ 3,557,607	\$ 8,596,692	\$ 3,178,519	\$ -	\$ 7,505,129

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	\$ 860,135	\$ 13,440					100.00%	
Alleman Tower	5,395	159					100.00%	
Allen Hazen Tower	549,002	29,766					100.00%	
ASR Wells	7,596,961	115,621					100.00%	
Fiber Optics	-	-		100.00%				
FWTP	24,311,832	944,194		100.00%				
General Office Facility	2,881,364	82,952						100.00%
Grounds	2,559,130	75,511						100.00%
JES Booster Station	1,225,550	18,023					100.00%	
Jes Tower	4,155,446	79,012					100.00%	
LP Moon Storage Tank	4,192,488	87,401					100.00%	
MWTP	16,505,338	553,186		100.00%				
Nollen, Wilchinski & Tenny S	1,408,797	36,880					100.00%	
Remote Pumping/Storage	408,499	13,461					100.00%	
Roosevelt Booster Station	31,779	3,294					100.00%	
Service Dept	1,834,964	86,409						100.00%
SW Pump Station	1,957,258	59,311					100.00%	
SW Storage	132,468	2,499					100.00%	
SWTP	20,607,621	1,209,390		100.00%				
SWTP Pumping Station	631,566	21,778					100.00%	
Water Supply System	26,565,080	573,140	100.00%					
Pipelines - Feeder	50,607,487	771,755			100.00%			
Pipelines - DM	108,750,335	2,073,687			36.43%	63.57%		
Total: Rate Base	\$ 278,143,585		\$ 26,565,080	\$ 61,567,033	\$ 90,220,833	\$ 69,136,988	\$ 23,155,344	\$ 7,498,306
Total: Depreciation		7,003,395	573,140	2,740,932	1,527,115	1,318,327	480,645	363,237

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 1.70 times higher than on an average day. Since 100% of average day costs are incurred on the maximum day, 1/1.70, 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</u>		<u>Max Month</u>	<u>Max Day</u>	<u>Max Day /</u>
	<u>Production</u>	<u>Average Day</u>	<u>Production</u>	<u>Production</u>	<u>Annual Avg</u>
					<u>Day</u>
2016	17,042	46.69	1,969	78.64	1.68
2017	18,070	49.51	2,202	81.73	1.65
2018	17,536	48.04	2,043	85.43	1.78
2019	17,350	47.53	2,026	81.04	1.70
2020	18,496	50.68	2,153	85.24	1.68
Average:	17,699	48.49	2,078	82.42	1.70

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 2022, 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 2022, 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 2021 and 2022, 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	Fire	Inch Miles	Base	Max Day	Max Hour
Source of Supply	\$ 867,062	\$ 867,062	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treatment	19,249,755	11,323,100	7,926,655	-	-	-	-	-	-	-	-	-	-	-
Transmission	3,557,607	2,092,657	1,464,950	-	-	-	-	-	-	-	-	-	-	-
Distribution	8,596,692	-	-	-	-	-	-	-	-	-	8,596,692	-	-	-
Storage / Pumping	3,178,519	1,869,670	1,308,849	-	-	-	-	-	-	-	-	-	-	-
Meters	1,441,951	-	-	-	-	-	-	-	1,441,951	-	-	-	-	-
Customer Service	2,721,439	-	-	-	2,721,439	-	-	-	-	-	-	-	-	-
Administration	7,505,129	3,060,245	2,027,331	-	515,610	-	-	-	273,195	-	1,628,748	-	-	-
Total:	\$ 47,118,154	\$ 19,212,758	\$12,727,785	\$ -	\$ 3,237,049	\$ -	\$ -	\$ -	\$ 1,715,146	\$ -	\$10,225,440	\$ -	\$ -	\$ -

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	\$ 45,383,612	\$ 45,383,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treatment	82,985,146	48,813,563	34,171,584	-	-	-	-	-
Transmission	92,058,482	54,150,685	37,907,797	-	-	-	-	-
Distribution	113,392,378	-	-	-	-	36,624,710	25,638,865	51,128,803
Storage / Pumping	23,155,344	13,620,448	9,534,896	-	-	-	-	-
Meters	5,297,068	-	-	-	-	-	-	-
Administration	7,596,664	3,396,395	1,711,411	-	-	768,002	537,634	1,072,145
Total:	\$ 369,868,693	\$ 165,364,701	\$83,325,688	\$ -	\$ -	\$37,392,711	\$26,176,499	\$52,200,949

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	\$ 973,836	\$ 973,836	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treatment	3,218,710	1,893,311	1,325,399	-	-	-	-	-
Transmission	1,567,697	922,152	645,546	-	-	-	-	-
Distribution	2,327,192	-	-	-	-	751,662	526,195	1,049,334
Storage / Pumping	480,645	282,725	197,920	-	-	-	-	-
Meters	123,147	-	-	-	-	-	-	-
Customer Service	-	-	-	-	-	-	-	-
Administration	365,841	171,404	91,294	-	-	31,640	22,149	44,170
Total:	\$ 9,057,067	\$ 4,243,428	\$ 2,260,159	\$ -	\$ -	\$ 783,302	\$ 548,345	\$ 1,093,504

*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 2022 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 \$19.2 million. Since there are 15.4 million base units, the cost per unit is \$1.24. 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 \$39.0 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= \$7,537,497¹

Figure 9: \$1.2441 operating cost

Figure 2: DM Inside + DM Zoo =

6,043,258+15,442 = 6,058,700 kgal FY 2022 projected annual consumption

Figure 10: 6,058,700 units * \$1.2441/unit = \$7,537,497¹

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 10 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	Fire	Inch Miles	Base	Max Day	Max Hour
Operating Expenses														
Total Expense	\$ 47,118,154	\$ 19,212,758	\$ 12,727,774	\$ -	\$ 3,237,046	\$ -	\$ -	\$ -	\$ 1,715,145	\$ -	\$ 10,225,431	\$ -	\$ -	\$ -
Units		15,443,368	34,729	95,362	1,033,896	7,336,788	12,841	40,891	129,634	9,924	9,635	6,256,385	10,231	33,955
Unit Cost		1.2441	366.4881	-	3.1309	-	-	-	13.2307	-	1,061.3182	-	-	-
Depreciation														
Shared Depreciation														
Total Expense	8,928,737	4,243,428	2,260,159	-	-	-	-	-	-	-	-	783,302	548,345	1,093,504
Units		15,443,368	77,040	95,362	1,033,896	7,336,788	32,941	40,891	108,954	9,924	9,635	6,256,385	27,372	33,955
Unit Cost		0.2748	29.3376	-	-	-	-	-	-	-	-	0.1252	20.0333	32.2044
PC Depreciation														
PC Depreciation Credit	(1,993,300)	(1,300,579)	(692,722)	-	-	-	-	-	-	-	-	-	-	-
Wholesale PC Depreciation	6,935,437	2,942,849	1,567,437	-	-	-	-	-	-	-	-	783,302	548,345	1,093,504
Units		15,443,368	77,040	95,362	1,033,896	7,336,788	32,941	40,891	108,954	9,924	9,635	6,256,385	27,372	33,955
Unit Cost		0.1906	20.3459	-	-	-	-	-	-	-	-	0.1252	20.0333	32.2044
Rate Base														
Shared Rate Base														
Total Shared Rate Base	369,868,693	165,364,701	83,325,688	-	-	-	-	-	5,408,145	-	-	37,392,711	26,176,499	52,200,949
Units		15,443,368	77,040	95,362	1,033,896	7,336,788	32,941	40,891	108,954	9,924	9,635	6,256,385	27,372	33,955
Unit Cost		10.7078	1,081.5953	-	-	-	-	-	49.6372	-	-	5.9767	956.3347	1,537.3523
Inside City Rate Base														
Rate Base (1)	209,799,186	64,875,427	27,851,135	-	-	-	-	-	7,097,714	-	-	36,211,202	24,625,670	49,138,039
Return on Rate Base	4.00% \$ 8,395,946	2,596,247	1,114,574	-	-	-	-	-	284,043	-	-	1,449,135	985,494	1,966,453
Units		6,058,700	25,750	31,963	830,412	6,058,700	25,750	31,963	107,441	7,960	6,318	6,058,700	25,750	31,963
Unit Cost		0.4285	43.2843	-	-	-	-	-	2.6437	-	-	0.2392	38.2715	61.5232
Outside City Rate Base														
Rate Base	161,759,076	100,489,274	55,474,553	-	-	-	-	-	-	-	-	1,181,509	1,550,829	3,062,910
Return on Rate Base	6.00% 9,705,545	6,029,356	3,328,473	-	-	-	-	-	-	-	-	70,891	93,050	183,775
Units		9,384,668	51,290	63,399	203,484	1,278,088	7,191	8,928	1,513	1,964	3,317	197,685	1,622	1,992
Unit Cost		0.6425	64.8957	-	-	-	-	-	-	-	-	0.3586	57.3801	92.2411
PC Rate Base														
PC Rate Base Credit	(39,013,875)	(25,941,966)	(13,071,908)	-	-	-	-	-	-	-	-	-	-	-
PC Rate Base	122,745,202	74,547,308	42,402,645	-	-	-	-	-	-	-	-	1,181,509	1,550,829	3,062,910
PC Return on Rate Base	6.00% 7,364,712	4,472,838	2,544,159	-	-	-	-	-	-	-	-	70,891	93,050	183,775
Units		9,384,668	51,290	63,399	203,484	1,278,088	7,191	8,928	1,513	1,964	3,317	197,685	1,622	1,992
Unit Cost		0.4766	49.6038	-	-	-	-	-	-	-	-	0.3586	57.3801	92.2411

(1) Includes addition of \$5.3 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	Fire	Inch Miles	Base	Max Day	Max Hour
Des Moines Inside City														
O&M	\$ 21,618,084	\$ 7,537,497	\$ 3,353,687	\$ -	\$ 2,599,954	\$ -	\$ -	\$ -	\$ 1,421,516	-	\$ 6,705,430	\$ -	\$ -	\$ -
Depreciation	4,720,324	1,664,770	755,445	-	-	-	-	-	-	-	-	758,551	515,858	1,025,699
Return on Rate Base	8,395,946	2,596,247	1,114,574	-	-	-	-	-	284,043	-	-	1,449,135	985,494	1,966,453
Subtotal: DMIC	\$ 34,734,354	\$ 11,798,514	\$ 5,223,705	\$ -	\$ 2,599,954	\$ -	\$ -	\$ -	\$ 1,705,559	\$ -	\$ 6,705,430	\$ 2,207,686	\$ 1,501,352	\$ 2,992,153
Outside City Customers														
O&M	\$ 25,500,070	\$ 11,675,262	\$ 9,374,087	\$ -	\$ 637,092	\$ -	\$ -	\$ -	\$ 293,628	\$ -	\$ 3,520,000	\$ -	\$ -	\$ -
PC Depreciation	2,197,197	1,400,564	796,634	-	-	-	-	-	-	-	-	-	-	-
PC Return on Rate Base	5,445,226	3,503,008	1,942,217	-	-	-	-	-	-	-	-	-	-	-
Other Outside Depreciation	1,036,532	559,122	356,011	-	-	-	-	-	-	-	-	24,750	32,487	64,162
Other Outside Return on Rate Base	2,442,548	1,307,325	787,508	-	-	-	-	-	-	-	-	70,891	93,050	183,775
Subtotal: Outside City	\$ 36,621,572	\$ 18,445,280	\$ 13,256,458	\$ -	\$ 637,092	\$ -	\$ -	\$ -	\$ 293,628	\$ -	\$ 3,520,000	\$ 95,641	\$ 125,536	\$ 247,936
Direct Assets														
Depreciation	\$ 1,820,833													
Subtotal: Direct Assets	\$ 1,820,833													
Total: Revenue Recovered	\$ 73,176,759													

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	\$ 49,802,234		\$ 49,802,234
Debt Service		460,142	460,142
Cash Financed Capital		25,598,463	25,598,463
Contribution to Operating Reserve	700,000		700,000
Subtotal: Revenue Requirement	\$ 50,502,234	\$ 26,058,605	\$ 76,560,839
<u>Requirements Met from Other Sources</u>			
Misc Revenues	3,384,080		3,384,080
Subtotal: Other Revenues	\$ 3,384,080	\$ -	\$ 3,384,080
Total: Revenue Required	\$ 47,118,154	\$ 26,058,605	\$ 73,176,759
<u>Utility Basis Revenue Requirements</u>			
Operation and Maintenance Expense	\$ 47,118,154		\$ 47,118,154
Depreciation		9,774,885	9,774,885
Return on Rate Base		16,283,719	16,283,719
Total: Revenue Requirement	\$ 47,118,154	\$ 26,058,605	\$ 73,176,759

STEP 5: DETERMINATION OF REVENUE REQUIREMENTS BY CUSTOMER CLASS

To determine the allocation of the FY 2022 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 (DM Inside City + DM Zoo)

$$\$11,768,350 + \$30,071 = \$11,798,421^2$$

Figure 9: \$1.2441 operating cost + \$0.2748 shared depreciation + \$0.4285 Inside City rate base
= \$1.9474/unit

Figure 2: DM Inside + DM Zoo projected annual consumption

DM Inside - 6,043,258

DM Zoo - 15,442

Figure 12: DM Inside + DM Zoo

$$\text{DM Inside} - 6,043,258 * \$1.9474/\text{unit} = \$11,768,640^2$$

$$\text{DM Zoo} - 15,442 * \$1.9474/\text{unit} = \$30,071$$

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 2022 revenues under approved rates. A few observations in reviewing these results:

- The Des Moines Inside City customer class is slightly under-recovering costs, by approximately 1%. 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 to build up a capital fund for small communities who face significant needed capital improvements in their system. We have added future

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.

capital costs to the Cost of Service numbers for areas where we either 1) have future CIP projects or 2) where we already collect a capital improvement fee. This number is then subtracted as it is not a current year expense.

- Overall, the Wholesale – Purchased capacity class pays approximately 93% 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 10%. For the 2022 Budget year, revenue collected from this class is forecasted to remain flat.

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

	Total	Common to All				Full Service and Retail						Retail Only			Direct
		Base	Max Day	Max Hour	Bills	Base	Max Day	Max Hour	Meters	Inch Miles	Base	Max Day	Max Hour	Depreciation	
Retail															
Des Moines Inside City	\$ 35,588,313	\$ 11,768,350	\$ 5,142,513	\$ -	\$ 2,599,881	\$ -	\$ -	\$ -	\$ 1,705,529	\$ 6,705,436	\$ 2,202,059	\$ 1,495,665	\$ 2,985,193	\$ 983,688	
Des Moines, Outside City	1,742,288	427,258	548,633	-	44,071	-	-	-	20,016	219,346	95,641	125,536	247,936	13,851	
DM Zoo Water Rate	79,421	30,071	27,326	-	75	-	-	-	32	-	5,627	5,687	10,603	-	
Subtotal: Retail	\$ 37,410,023	\$ 12,225,679	\$ 5,718,472	\$ -	\$ 2,644,027	\$ -	\$ -	\$ -	\$ 1,725,577	\$ 6,924,782	\$ 2,303,327	\$ 1,626,888	\$ 3,243,732	\$ 997,539	
Full Service															
Polk County	\$ 6,527,361	\$ 1,361,873	\$ 945,897	\$ -	\$ 284,451	\$ -	\$ -	\$ -	\$ 131,295	\$ 2,399,666				\$ 1,404,180	
Runnells	169,239	70,463	8,503	-	7,927	-	-	-	3,019	24,343				54,983	
Cumming Water	107,179	23,364	27,154	-	5,636	-	-	-	2,313	42,129				6,583	
Alleman	102,860	20,027	9,411	-	6,650	-	-	-	4,232	55,439				7,102	
Pleasant Hill Inside City	2,729,498	537,409	317,323	-	178,200	-	-	-	88,947	450,213				1,157,406	
Pleasant Hill Outside City	6,069	1,879	1,805	-	188	-	-	-	72	1,574				550	
PCRWD #1	167,124	50,067	28,761	-	17,583	-	-	-	6,451	53,075				11,187	
Berwick Water	239,958	73,435	34,521	-	8,491	-	-	-	4,177	111,843				7,491	
Windsor Heights	884,875	247,003	107,940	-	81,867	-	-	-	33,106	162,375				252,583	
Less: Future FS Capital Costs	(2,078,771)													(2,078,771)	
Subtotal: Full Service	\$ 8,855,392	\$ 2,385,518	\$ 1,481,316	\$ -	\$ 590,993	\$ -	\$ -	\$ -	\$ 273,613	\$ 3,300,658				\$ 823,294	
Wholesale															
Altoona	\$ 73,185	\$ 17,709	\$ 55,401	\$ -	\$ 75										
Ankeny	5,181,221	3,677,838	1,503,158	-	225										
Bondurant	480,504	330,591	149,800	-	113										
Clive	2,232,495	1,230,864	1,001,293	-	338										
Norwalk	976,459	566,730	409,617	-	113										
Waukee	1,928,972	1,056,712	872,184	-	75										
Urbandale	5,532,005	2,931,055	2,600,762	-	188										
Warren Rural Water	1,656,224	1,127,552	528,559	-	113										
West Des Moines	3,497,655	1,632,301	1,865,016	-	338										
Xenia	1,793,667	1,284,000	509,517	-	150										
Polk City	405,351	191,861	213,453	-	38										
Subtotal: Wholesale PC	\$ 23,757,739	\$ 14,047,214	\$ 9,708,759	\$ -	\$ 1,766										
Wholesale with Storage															
West Des Moines - Storage	\$ 111,400	\$ 20,027	\$ 91,298	\$ -	\$ 75										
Johnston	2,990,417	1,582,181	1,408,123	-	113										
Water Development Co	51,786	33,375	18,336	-	75										
Subtotal: Wholesale - Storage	3,153,603	1,635,583	1,517,757	-	263										
Total: Utility	\$ 73,176,757	\$ 30,293,994	\$ 18,426,305	\$ -	\$ 3,237,049	\$ -	\$ -	\$ -	\$ 1,999,189	\$ 10,225,440	\$ 2,303,327	\$ 1,626,888	\$ 3,243,732	\$ 1,820,833	

Figure 13: Cost of Service Results

<u>Customer</u>	<u>Cost of Service</u>	<u>2022 Projected Revenue</u>	<u>COS Recovery</u>
Retail			
Des Moines Inside City	\$ 35,667,735	\$ 35,416,935	99%
Des Moines Outside City	1,742,288	927,795	53%
Total: Retail	\$ 37,410,023	\$ 36,344,730	97%
Full Service			
Polk County	\$ 6,527,361	\$ 6,805,176	104%
Runnells	169,239	185,228	109%
Cumming	107,179	114,643	107%
Alleman	102,860	112,598	109%
Pleasant Hill Inside City	2,729,498	2,866,650	105%
Pleasant Hill Outside City	6,069	5,372	89%
PCRWD	167,124	140,009	84%
Berwick	239,958	154,459	64%
Windsor Heights	884,875	1,010,907	114%
Less: Future FS Capital Costs	(2,078,771)		
Total: Full Service	\$ 8,855,392	\$ 11,395,041	129%
Wholesale - PC			
Altoona	\$ 73,185	\$ 27,709	38%
Ankeny	5,181,221	5,754,434	111%
Bondurant	480,504	517,252	108%
Clive	2,232,495	1,925,838	86%
Norwalk	976,459	886,719	91%
Waukee	1,928,972	1,653,357	86%
Urbandale	5,532,005	4,585,999	83%
Warren Rural Water	1,656,224	1,764,195	107%
West Des Moines	3,497,655	2,553,937	73%
Xenia	1,793,667	2,008,977	112%
Polk City	405,351	300,190	74%
Total: Wholesale - PC	\$ 23,757,739	\$ 21,978,607	93%
Wholesale with Storage			
West Des Moines - Storage	\$ 111,400	\$ 42,346	38%
Johnston	2,990,417	3,345,464	112%
Water Development Co	51,786	70,570	136%
Total: Wholesale with Storage	\$ 3,153,603	\$ 3,458,380	110%
Total: Utility	\$ 73,176,757	\$ 73,176,757	100%

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	6,058,700	9,151	830,412	107,441	6,318	6,058,700	9,151	31,963	-	-
Unit Cost	1.2441	366.4881	3.1309	13.2307	1,061.3182	-	-	-		
	\$ 7,537,497	\$ 3,299,738	\$ 2,599,954	\$ 1,421,516	\$ 6,705,430	\$ -	\$ -	\$ -	\$ -	\$ 21,564,135
<u>Capital Expense</u>										
Units of Service	6,058,700	25,750	830,412	107,441	6,318	6,058,700	25,750	31,963		
Unit Cost (1)	0.7033	72.6219	-	2.6437	-	0.3644	58.3048	93.7277		
	\$ 4,261,017	\$ 1,870,019	\$ -	\$ 284,043	\$ -	\$ 2,207,686	\$ 1,501,352	\$ 2,995,796	\$ 983,688	\$ 14,103,600
Total: Cost of Service	\$ 11,798,514	\$ 5,169,756	\$ 2,599,954	\$ 1,705,559	\$ 6,705,430	\$ 2,207,686	\$ 1,501,352	\$ 2,995,796	\$ 983,688	\$ 35,667,735

Figure 15: Des Moines Outside 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	197,685	1,080	14,076	1,513	207	197,685	1,080	1,992		
Unit Cost	1.2441	366.4881	3.1309	13.2307	1,061.3182	-	-	-	-	-
	\$ 245,936	\$ 395,817	\$ 44,071	\$ 20,016	\$ 219,346	\$ -	\$ -	\$ -	\$ -	\$ 925,185
<u>Capital Expense</u>										
Units of Service	197,685	1,622	14,076	1,513	207	197,685	1,622	1,992		
Unit Cost (1)	0.9172	94.2333	0.0000	-	-	0.4838	77.4134	124.4456	-	-
	\$ 181,325	\$ 152,812	\$ -	\$ -	\$ -	\$ 95,641	\$ 125,536	\$ 247,936	\$ 13,851	\$ 817,102
Total: Cost of Service	\$ 427,261	\$ 548,630	\$ 44,071	\$ 20,016	\$ 219,346	\$ 95,641	\$ 125,536	\$ 247,936	\$ 13,851	\$ 1,742,288

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	630,116	1,700	90,852	9,923	2,261		
Unit Cost	1.2441	366.4881	3.1309	13.2307	1,061.3182		
	\$ 783,914	\$ 623,016	\$ 284,450	\$ 131,295	\$ 2,399,664	\$ -	\$ 4,222,338
Capital Expense							
Units of Service	630,116	3,426	90,852	9,923	2,261		
Unit Cost (1)	0.9172	94.2333	0.0000	-	-	-	-
	\$ 577,969	\$ 322,874	\$ -	\$ -	\$ -	\$ 1,404,180	\$ 2,305,023
Total: Cost of Service	\$ 1,361,883	\$ 945,890	\$ 284,450	\$ 131,295	\$ 2,399,664	\$ 1,404,180	\$ 6,527,361

Figure 17: Runnells

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
Operating Expense							
Units of Service	9,266	13	2,532	228	23		
Unit Cost	1.2441	366.4881	3.1309	13.2307	1,061.3182		
	\$ 11,528	\$ 4,861	\$ 7,927	\$ 3,019	\$ 24,343	\$ 50,437	\$ 102,115
Capital Expense							
Units of Service	9,266	39	2,532	228	23		
Unit Cost (1)	0.9172	94.2333	0.0000	-	-	-	-
	\$ 8,499	\$ 3,642	\$ -	\$ -	\$ -	\$ 54,983	\$ 67,124
Total: Cost of Service	\$ 20,027	\$ 8,503	\$ 7,927	\$ 3,019	\$ 24,343	\$ 105,419	\$ 169,239

Figure 18: Cumming

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
Operating Expense							
Units of Service	10,810	53	1,800	175	40		
Unit Cost	1.2441	366.4881	3.1309	13.2307	1,061.3182		
	\$ 13,448	\$ 19,380	\$ 5,636	\$ 2,313	\$ 42,129	\$ -	\$ 82,907
Capital Expense							
Units of Service	10,810	82	1,800	175	40		
Unit Cost (1)	0.9172	94.2333	0.0000	-	-	-	-
	\$ 9,915	\$ 7,774	\$ -	\$ -	\$ -	\$ 6,583	\$ 24,272
Total: Cost of Service	\$ 23,364	\$ 27,154	\$ 5,636	\$ 2,313	\$ 42,129	\$ 6,583	\$ 107,179

Figure 19: Alleman

Operating Expense	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
Units of Service	9,266	15	2,124	320	52		
Unit Cost	1.2441	366.4881	3.1309	13.2307	1,061.3182	-	-
	\$ 11,528	\$ 5,583	\$ 6,650	\$ 4,232	\$ 55,439	\$ -	\$ 83,431
Capital Expense							
Units of Service	9,266	41	2,124	320	52		
Unit Cost (1)	0.9172	94.2333	0.0000	-	-	-	-
	\$ 8,499	\$ 3,828	\$ -	\$ -	\$ -	\$ 7,102	\$ 19,429
Total: Cost of Service	\$ 20,027	\$ 9,411	\$ 6,650	\$ 4,232	\$ 55,439	\$ 7,102	\$ 102,860

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	248,650	549	56,916	6,723	424		
Unit Cost	1.2441	366.4881	3.1309	13.2307	1,061.3182		
	\$ 309,340	\$ 201,352	\$ 178,199	\$ 88,947	\$ 450,213	\$ -	\$ 1,228,052
Capital Expense							
Units of Service	248,650	1,231	56,916	6,723	424		
Unit Cost (1)	0.9172	94.2333	0.0000	-	-	-	-
	\$ 228,072	\$ 115,968	\$ -	\$ -	\$ -	\$ 1,157,406	\$ 1,501,447
Total: Cost of Service	\$ 537,412	\$ 317,320	\$ 178,199	\$ 88,947	\$ 450,213	\$ 1,157,406	\$ 2,729,498

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	869	3	60	5	1		
Unit Cost	1.2441	366.4881	3.1309	13.2307	1,061.3182		
	\$ 1,082	\$ 1,258	\$ 188	\$ 72	\$ 1,574	\$ -	\$ 4,173
Capital Expense							
Units of Service	869	6	60	5	1		
Unit Cost (1)	0.9172	94.2333	0.0000	-	-	-	-
	\$ 797	\$ 548	\$ -	\$ -	\$ -	\$ 550	\$ 1,896
Total: Cost of Service	\$ 1,879	\$ 1,805	\$ 188	\$ 72	\$ 1,574	\$ 550	\$ 6,069

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	23,165	49	5,616	488	50		
Unit Cost	1.2441	366.4881	3.1309	13.2307	1,061.3182		
	\$ 28,819	\$ 18,121	\$ 17,583	\$ 6,451	\$ 53,075	\$ -	\$ 124,050
Capital Expense							
Units of Service	23,165	113	5,616	488	50		
Unit Cost (1)	0.9172	94.2333	0.0000	-	-	-	-
	\$ 21,248	\$ 10,640	\$ -	\$ -	\$ -	\$ 11,187	\$ 43,075
Total: Cost of Service	\$ 50,067	\$ 28,761	\$ 17,583	\$ 6,451	\$ 53,075	\$ 11,187	\$ 167,124

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	33,977	56	2,712	316	105		
Unit Cost	1.2441	366.4881	3.1309	13.2307	1,061.3182		
	\$ 42,270	\$ 20,482	\$ 8,491	\$ 4,177	\$ 111,843	\$ -	\$ 187,264
<u>Capital Expense</u>							
Units of Service	33,977	149	2,712	316	105		
Unit Cost (1)	0.9172	94.2333	0.0000				
	\$ 31,165	\$ 14,038	\$ -	\$ -	\$ -	\$ 7,491	\$ 52,695
Total: Cost of Service	\$ 73,435	\$ 34,520	\$ 8,491	\$ 4,177	\$ 111,843	\$ 7,491	\$ 239,959

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	114,284	170	26,148	2,502	153		
Unit Cost	1.2441	366.4881	3.1309	13.2307	1,061.3182		
	\$ 142,178	\$ 62,392	\$ 81,867	\$ 33,106	\$ 162,375	\$ -	\$ 481,919
<u>Capital Expense</u>							
Units of Service	114,284	483	26,148	2,502	153		
Unit Cost (1)	0.9172	94.2333	0.0000				
	\$ 104,826	\$ 45,548	\$ -	\$ -	\$ -	\$ 252,583	\$ 402,957
Total: Cost of Service	\$ 247,004	\$ 107,940	\$ 81,867	\$ 33,106	\$ 162,375	\$ 252,583	\$ 884,876

Figure 25: Altoona

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	9,266	123	24	
Unit Cost	1.2441	366.4881	3.1309	-
	<u>\$ 11,528</u>	<u>\$ 45,030</u>	<u>\$ 75</u>	<u>\$ 56,633</u>
<u>Capital Expense</u>				
Units of Service	9,266	148	24	
Unit Cost (1)	0.6672	69.9497	0.0000	
	<u>\$ 6,182</u>	<u>\$ 10,370</u>	<u>\$ -</u>	<u>\$ 16,552</u>
Total: Cost of Service	\$ 17,710	\$ 55,401	\$ 75	\$ 73,185

Figure 26: Ankeny

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	1,924,329	2,599	72	
Unit Cost	1.2441	366.4881	3.1309	-
	<u>\$ 2,394,016</u>	<u>\$ 952,533</u>	<u>\$ 225</u>	<u>\$ 3,346,774</u>
<u>Capital Expense</u>				
Units of Service	1,924,329	7,871	72	
Unit Cost (1)	0.6672	69.9497	0.0000	
	<u>\$ 1,283,852</u>	<u>\$ 550,595</u>	<u>\$ -</u>	<u>\$ 1,834,447</u>
Total: Cost of Service	\$ 3,677,868	\$ 1,503,128	\$ 225	\$ 5,181,221

Figure 27: Bondurant

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	172,973	267	36	
Unit Cost	1.2441	366.4881	3.1309	-
	\$ 215,192	\$ 97,953	\$ 113	\$ 313,257
 <u>Capital Expense</u>				
Units of Service	172,973	741	36	
Unit Cost (1)	0.6672	69.9497	0.0000	-
	\$ 115,402	\$ 51,845	\$ -	\$ 167,247
Total: Cost of Service	\$ 330,594	\$ 149,798	\$ 113	\$ 480,504

Figure 28: Clive

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	644,016	2,011	108	
Unit Cost	1.2441	366.4881	3.1309	-
	\$ 801,206	\$ 737,163	\$ 338	\$ 1,538,707
 <u>Capital Expense</u>				
Units of Service	644,016	3,776	108	
Unit Cost (1)	0.6672	69.9497	0.0000	-
	\$ 429,667	\$ 264,121	\$ -	\$ 693,789
Total: Cost of Service	\$ 1,230,874	\$ 1,001,284	\$ 338	\$ 2,232,495

Figure 29: Norwalk

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	296,526	808	36	
Unit Cost	1.2441	366.4881	3.1309	-
	\$ 368,902	\$ 296,241	\$ 113	\$ 665,256
 <u>Capital Expense</u>				
Units of Service	296,526	1,621	36	
Unit Cost (1)	0.6672	69.9497	0.0000	-
	\$ 197,833	\$ 113,370	\$ -	\$ 311,203
Total: Cost of Service	\$ 566,734	\$ 409,611	\$ 113	\$ 976,459

Figure 30: Waukee

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	552,896	1,756	24	
Unit Cost	1.2441	366.4881	3.1309	
	<u>\$ 687,846</u>	<u>\$ 643,411</u>	<u>\$ 75</u>	<u>\$ 1,331,332</u>
<u>Capital Expense</u>				
Units of Service	552,896	3,270	24	
Unit Cost (1)	0.6672	69.9497	0.0000	
	<u>\$ 368,875</u>	<u>\$ 228,765</u>	<u>\$ -</u>	<u>\$ 597,640</u>
Total: Cost of Service	\$ 1,056,721	\$ 872,176	\$ 75	\$ 1,928,972

Figure 31: Urbandale

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	1,533,595	5,286	60	
Unit Cost	1.2441	366.4881	3.1309	
	<u>\$ 1,907,912</u>	<u>\$ 1,937,106</u>	<u>\$ 188</u>	<u>\$ 3,845,206</u>
<u>Capital Expense</u>				
Units of Service	1,533,595	9,487	60	
Unit Cost (1)	0.6672	69.9497	0.0000	
	<u>\$ 1,023,167</u>	<u>\$ 663,632</u>	<u>\$ -</u>	<u>\$ 1,686,799</u>
Total: Cost of Service	\$ 2,931,079	\$ 2,600,738	\$ 188	\$ 5,532,005

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	589,961	952	36	
Unit Cost	1.2441	366.4881	3.1309	
	<u>\$ 733,958</u>	<u>\$ 348,895</u>	<u>\$ 113</u>	<u>\$ 1,082,965</u>
<u>Capital Expense</u>				
Units of Service	589,961	2,568	36	
Unit Cost (1)	0.6672	69.9497	0.0000	
	<u>\$ 393,604</u>	<u>\$ 179,655</u>	<u>\$ -</u>	<u>\$ 573,259</u>
Total: Cost of Service	\$ 1,127,561	\$ 528,550	\$ 113	\$ 1,656,224

Figure 33: West Des Moines Water Works

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	854,057	3,898	108	
Unit Cost	1.2441	366.4881	3.1309	
	<u>\$ 1,062,514</u>	<u>\$ 1,428,648</u>	<u>\$ 338</u>	<u>\$ 2,491,500</u>
 <u>Capital Expense</u>				
Units of Service	854,057	6,238	108	
Unit Cost (1)	0.6672	69.9497	0.0000	
	<u>\$ 569,800</u>	<u>\$ 436,355</u>	<u>\$ -</u>	<u>\$ 1,006,155</u>
Total: Cost of Service	\$ 1,632,314	\$ 1,865,003	\$ 338	\$ 3,497,655

Figure 34: Xenia Rural Water District

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	671,818	872	48	
Unit Cost	1.2441	366.4881	3.1309	
	<u>\$ 835,794</u>	<u>\$ 319,730</u>	<u>\$ 150</u>	<u>\$ 1,155,674</u>
 <u>Capital Expense</u>				
Units of Service	671,818	2,713	48	
Unit Cost (1)	0.6672	69.9497	0.0000	
	<u>\$ 448,216</u>	<u>\$ 189,776</u>	<u>\$ -</u>	<u>\$ 637,992</u>
Total: Cost of Service	\$ 1,284,010	\$ 509,506	\$ 150	\$ 1,793,667

Figure 35: Polk City

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	100,386	445	12	
Unit Cost	1.2441	366.4881	3.1309	
	<u>\$ 124,888</u>	<u>\$ 163,085</u>	<u>\$ 38</u>	<u>\$ 288,010</u>
 <u>Capital Expense</u>				
Units of Service	100,386	720	12	
Unit Cost (1)	0.6672	69.9497	0.0000	
	<u>\$ 66,974</u>	<u>\$ 50,366</u>	<u>\$ -</u>	<u>\$ 117,340</u>
Total: Cost of Service	\$ 191,862	\$ 213,451	\$ 38	\$ 405,351

Figure 36: West Des Moines Water Works – w/ Storage

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	9,266	193	24	
Unit Cost	1.2441	366.4881	3.1309	
	<u>\$ 11,528</u>	<u>\$ 70,721</u>	<u>\$ 75</u>	<u>\$ 82,324</u>
<u>Capital Expense</u>				
Units of Service	9,266	218	24	
Unit Cost (1)	0.9172	94.2333	0.0000	
	<u>\$ 8,499</u>	<u>\$ 20,576</u>	<u>\$ -</u>	<u>\$ 29,076</u>
Total: Cost of Service	\$ 20,027	\$ 91,298	\$ 75	\$ 111,400

Figure 37: Johnston

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	732,049	2,646	36	
Unit Cost	1.2441	366.4881	3.1309	
	<u>\$ 910,726</u>	<u>\$ 969,763</u>	<u>\$ 113</u>	<u>\$ 1,880,602</u>
<u>Capital Expense</u>				
Units of Service	732,049	4,652	36	
Unit Cost (1)	0.9172	94.2333	0.0000	
	<u>\$ 671,466</u>	<u>\$ 438,349</u>	<u>\$ -</u>	<u>\$ 1,109,815</u>
Total: Cost of Service	\$ 1,582,192	\$ 1,408,112	\$ 113	\$ 2,990,417

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	15,442	31	24	
Unit Cost	1.2441	366.4881	3.1309	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 19,211</u>	<u>\$ 11,414</u>	<u>\$ 75</u>	<u>\$ 30,701</u>
<u>Capital Expense</u>				
Units of Service	15,442	73	24	
Unit Cost (1)	0.9172	94.2333	0.0000	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 14,164</u>	<u>\$ 6,922</u>	<u>\$ -</u>	<u>\$ 21,086</u>
Total: Cost of Service	\$ 33,375	\$ 18,336	\$ 75	\$ 51,786

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: Approval of Proposed 2022 Water Rates

SUMMARY:

At the October Finance and Audit Committee meeting, proposed 2022 water rates were discussed.

Wholesale Rates

Two options were presented for wholesale rates: 1) "Raftelis Recommended Rate Approach", where wholesale rates include a volume rate plus a meaningful fixed fee component based on each customer's projected maximum day demand to recover capital costs and 2) "Business as Usual", where wholesale rates recover all costs in a single volume rate.

After discussion and in consideration of customer comments related to the timing of adopting a Raftelis recommended rate structure in relation to critical regionalization efforts, staff recommends the "business as usual" approach for 2022 wholesale rates. However, if regionalization does not occur or has not been finalized by the time rates are approved for 2023, staff will recommend the Raftelis approach for 2023 rates.

In light of Cost of Service results also discussed at Finance & Audit, staff recommends a 15% increase in the wholesale Purchased Capacity rate, and a 0% increase in the wholesale With Storage rate.

Retail Rates

Staff recommends a 3% rate increase for Des Moines and most other retail customers, with a few exceptions. Based on Cost of Service cost recovery percentages, staff recommends a 10% increase for DM Outside City customers, and 7% increases for customers in the PCRWD#1 and Berwick service areas.

Staff recommends no increases in capital improvement fees or water availability charges for 2022.

Water rates and capital improvement fees by customer class are summarized in the attachment. Water availability charges by customer class and meter size are also summarized. Proposed rates will take effect April 1, 2022.

FISCAL IMPACT:



The recommended rate increases will result in approximately \$3,400,000 of increased water revenue for 2022.

RECOMMENDED ACTION:

Approve the proposed rates according to the attached schedules to be effective for all water bills issued on or after April 1, 2022 and direct staff to publish the adopted rates as provided by law.

BOARD REQUIRED ACTION:

Motion to approve the proposed rates according to the attached schedule to be effective for all water bills issued on or after April 1, 2022 and direct staff to publish the adopted rates as provided by law.

 Amy Kahler, CPA Chief Financial Officer	<div style="text-align: center;">/</div> <div style="text-align: center;">(date)</div>	 Ted Corrigan CEO and General Manager
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Des Moines Water Works
Proposed 2022 Water Rates
Effective April 1, 2022



	2021 Rate Per 1,000 Gallons	2022 Rate Per 1,000 Gallons	Increase	Percent Increase	Dollar Monthly Increase for Avg. Home With:	
					2 Person 3,750 gal	4 Person 7,500 gal
Des Moines Inside City						
Residential (Step 1)	\$5.19	\$5.35	\$0.16	3%	\$0.60	\$1.20
Commercial (Step 2)	3.49	3.59	0.10	3%		
Industrial (Step 3)	2.68	2.76	0.08	3%		
Capital Improvement Fee						
Step 1	\$0.25	\$0.25	\$0.00	0%	\$0.00	\$0.00
Step 2	0.17	0.17	0.00	0%		
Step 3	0.13	0.13	0.00	0%		
Des Moines Outside City						
Residential (Step 1)	\$5.64	\$6.20	\$0.56	10%	\$2.10	\$4.20
Commercial (Step 2)	4.24	4.66	0.42	10%		
Industrial (Step 3)	3.03	3.33	0.30	10%		
Off Peak	2.63	2.89	0.26	10%		
Polk County						
Residential (Step 1)	\$10.23	\$10.54	\$0.31	3%	\$1.16	\$2.32
Commercial (Step 2)	6.26	6.45	0.19	3%		
Industrial (Step 3)	4.88	5.03	0.15	3%		
Capital Improvement Fee						
Step 1	\$1.50	\$1.50	\$0.00	0%	\$0.00	\$0.00
Step 2	0.92	0.92	0.00	0%		
Step 3	0.71	0.71	0.00	0%		
Pleasant Hill						
Residential (Step 1)	\$9.51	\$9.80	\$0.29	3%	\$1.09	\$2.18
Commercial (Step 2)	8.03	8.27	0.24	3%		
Outside City	16.31	16.80	0.49	3%	\$1.84	\$3.68
Windsor Heights	\$5.29	\$5.45	\$0.16	3%	\$0.60	\$1.20
Capital Improvement Fee	2.00	2.00	0.00	0%	\$0.00	\$0.00
PCRWD #1	\$4.80	\$5.14	\$0.34	7%	\$1.28	\$2.55
Berwick	\$4.00	\$4.28	\$0.28	7%	\$1.05	\$2.10
Runnells						
Water	\$8.60	\$8.86	\$0.26	3%	\$0.97	\$1.95
Waste Water	9.33	9.61	0.28	3%	\$1.05	\$2.10
Cumming	\$8.87	\$9.14	\$0.27	3%	\$1.01	\$2.03
Alleman	\$10.53	\$10.85	\$0.32	3%	\$1.20	\$2.40
Wholesale						
Purchased Capacity	\$2.68	\$3.08	\$0.40	15%		
With Storage	4.57	\$4.57	\$0.00	0%		

Des Moines Water Works
2022 Water Availability Charges
Effective April 1, 2022



	5/8"	3/4"	1"	1 1/2"	2"	3"	4" & Above
Des Moines Inside City	\$6.00	\$7.00	\$8.00	\$14.00	\$22.00	\$45.00	\$75.00
Des Moines Outside City	\$8.00	\$10.00	\$14.00	\$35.00	\$60.00	\$150.00	\$250.00
Polk County	\$7.00	\$8.00	\$9.00	\$15.00	\$23.00	\$46.00	\$77.00
Pleasant Hill	\$10.00						
Windsor Heights	\$6.00	\$7.00	\$8.00	\$14.00	\$22.00	\$45.00	\$75.00
PCRWD #1	\$4.00						
Berwick	\$3.00						
Runnells	\$6.00						
Cumming	\$9.00						
Alleman	\$6.00	\$8.00	\$11.00	\$35.00	\$60.00	\$150.00	\$250.00

AGENDA ITEM FORM

SUBJECT: Proposed 2022 Budget – Establish a Public Hearing as the Date of the November 2021 Board Meeting

SUMMARY:

- The budget for 2022 is based on total operating revenue of \$79.6 million.
- The proposed operating budget totals \$52.8 million which is an increase of 4.2% (or \$2.1 million) over the approved 2021 budget. Moderate increases in benefits expense and chemicals are contributors to the increase along with a much higher expense related to residual removal at the McMullen Treatment Plant.
- Capital expenditures budgeted for 2022 total \$45.9 million, of which nearly \$16.0 million will be funded with State Revolving Fund loans.
- The utility's debt service obligations for the year total approximately \$500,000. This assumes that the 2012A & 2012B bonds will be paid off in 2021.
- The proposed budget allows for \$700,000 to be added to operating reserves.

See the attached memo for detailed information concerning the proposed 2022 budget.

These materials were discussed at the October Finance & Audit committee meeting on October 12, 2021. The water rate increases in the budget has been changed to the 'business as usual' approach.

FISCAL IMPACT:

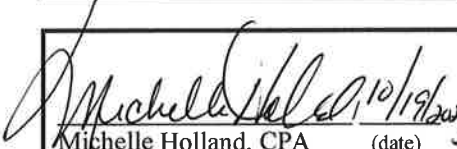

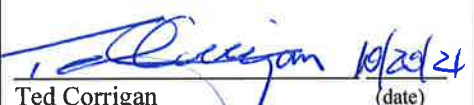
This budget establishes the guidelines for the 2022 operations and capital replacement program for the utility.

RECOMMENDED ACTION:

It is recommended that the Board of Water Works Trustees establish a Public Hearing Date of the November Board meeting in order to act on the passage of the 2022 budget.

BOARD REQUIRED ACTION:

Establish the date of Public Hearing as the date of the November 2021 Board meeting to act on the passage of the 2022 budget and direct staff to publish notice as set forth in Des Moines Water Works Board Policy Manual.

 Michelle Holland, CPA (date) 10/19/21 Controller	 Amy Kahler, CPA (date) 10/19/21 Chief Financial Officer	 Ted Corrigan (date) 10/29/21 CEO & General Manager
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Attachments: 2022 Budget Memo

DATE: October 18, 2021

TO: Ted Corrigan, CEO & General Manager

FROM: Amy Kahler, Chief Financial Officer
Michelle Holland, Controller

SUBJECT: Proposed 2022 Budget

*** The rate increases loaded in the 2022 Budget maintain the current rate structure. These are the 'business as usual' rates in the Proposed 2022 Water Rates memo . The effective date of the rate increases is April 1, 2022.

The attached document contains the following:

- 2022 Budget Highlights
- 2022 Overview of Budget Process
- Proposed 2022 Budget Summary and Comparison to 2021 Budget
- Details of Proposed Revenue, Additional Funding, Operating Expenses, and Capital Expenses
- Summary of Expenditures from 2018-2022
- Future Capital Expenses
- 2022 Budget by Department
- 2022 Labor and Benefits Budget
- 2022 Operating Work Plans Recommended for Funding
- 2022 Capital Work Plans Recommended for Funding
- DMWW Budget Process & Timeline

2022 Budget Highlights

PUMPAGE

17.2 BILLION GALLONS
(17.1 billion gallons in 2021 budget)

WATER REVENUE

\$73.2 MILLION
(\$4.6 million / 6.7% higher than 2021 budget)

**ASSUMES 2012 BONDS PAID OFF
IN 2021**

**FREES UP \$1.9 MILLION IN
DEBT SERVICE PAYMENTS**

OPERATING EXPENSES

\$52.8 MILLION
(\$2.1 million / 4.2% higher than 2021 budget)

HEADCOUNT

**NO OVERALL CHANGE IN
STAFFING LEVELS**

CAPITAL EXPENSES

\$45.9 MILLION
(Capital budget in 2021 was \$24.5 million)

EXPANSION PROJECTS (\$\$\$)

INITIAL CAPITAL EXPENSES FOR:

ASR Well
DM River Well Field
Expansion of Saylorville Treatment Plant
(source and treatment)
30" Feeder Main

**\$16.0
million**

BORROWING FROM STATE REVOLVING FUND (SRF)

**PROJECTS WILL BE FUNDED
THROUGH SRF BORROWING**

PROJECTS FUNDED BY OTHER ENTITIES

Bondurant Feeder & Pump Station (Design)
Remotely Operated Control Valve

70% Funded by Bondurant
Fully Funded by WDMWW

PROJECTS FUNDED BY UTILITY REVENUES

Water Main Replacement (Des Moines, Polk County, Windsor Heights)
Tenny Standpipe Interior/Exterior Paint
Financial Management Software (Year 1)
Rehabilitation of Collector Wells at McMullen
Several projects at Fleur Drive Treatment Plant, McMullen Treatment Plant and
Saylorville Treatment Plant (see details on page 33)

2022 Overview of Budget Process

The Des Moines Water Works budget process is very detailed and requires a high level of participation from all departments. We use an activity-based methodology which correlates to our internal financial reporting. Activity-based costing provides the cost tracking and allocations required for our Cost of Service calculations.

The utility prepares a zero-based budget by “project” or activity. Staff identifies strategic goals, identifies the tasks to achieve those goals, and requests the funding necessary to support the tasks and goals. While many companies use a traditional budgeting approach that simply increases the prior year’s budget by a set percentage, DMWW’s zero-based, activity-based budget process reconsiders and justifies all activities of the business every year. The process is detailed, time-consuming, and rigorous; however, the methodology is decision oriented, supports the utility’s Cost of Service study, and results in a budget that is more aligned with strategic goals.

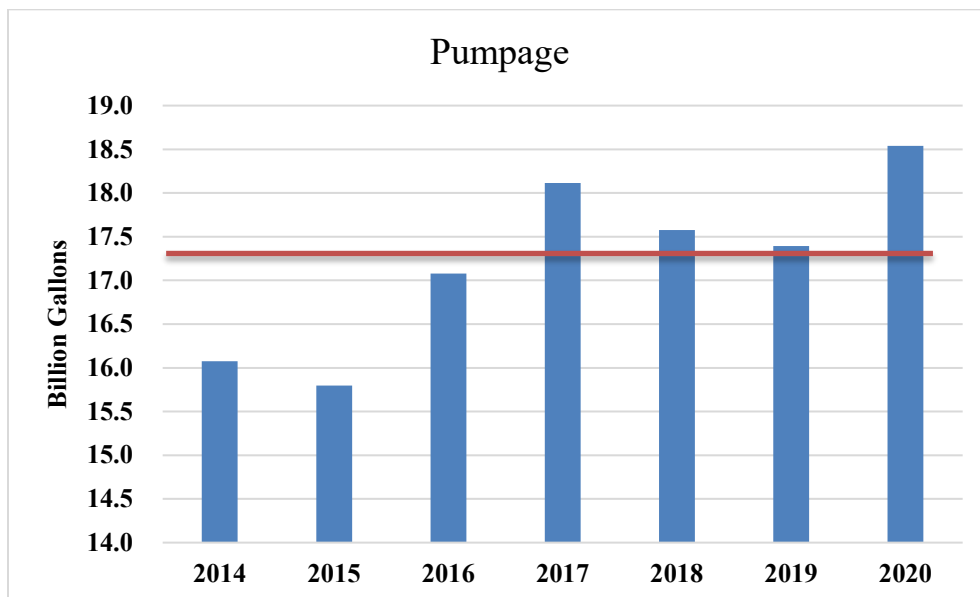
Budget files for operating and capital expenses are created by Finance. These files include prior year budget and actual information for comparative purposes and are created uniformly so that they total into a utility-wide budget. Additionally, there are several monthly financial reports to aid budgeters in reviewing and analyzing data to determine a proper level of expense for the upcoming budget year.

Budgeting is a compilation of assumptions, estimations, and a reliance on financial information and other relevant data.

One of the first assumptions made is the water pumpage budget. Actual pumpage varies from year to year and is rather unpredictable several months out. Weather plays a huge impact on pumpage.

The pumpage budget for 2022 is 17.2 billion gallons. While this is an increase of 100 million gallons from the 17.1 billion gallons that was budgeted in 2021, projected pumpage of 17.2 billion gallons remains a reasonably conservative estimate

The chart below shows the last seven complete years of pumpage. The average pumpage for the seven years is 17.2 billion gallons.



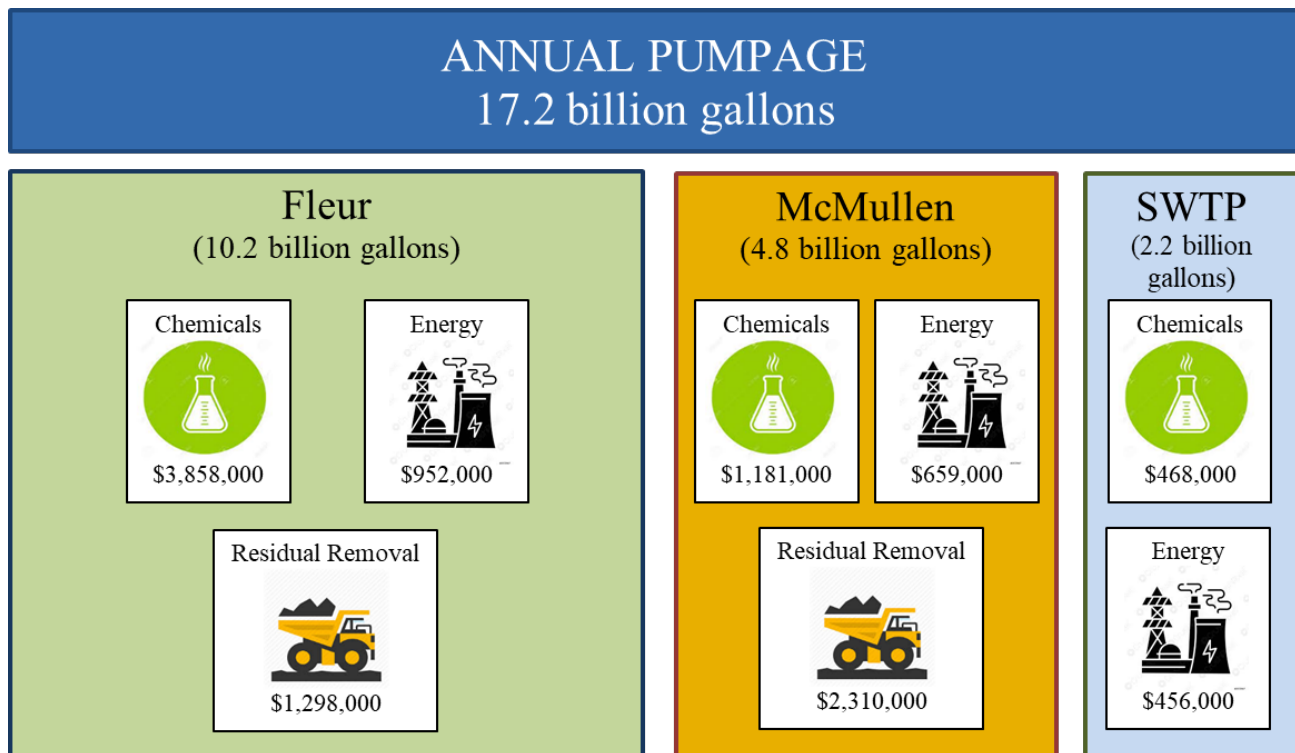
By budgeting an average pumpage level, rather than any extreme, there is less likelihood of being significantly different than budget. Additionally, with the high pumpage season being in the latter part of the year, this gives much less time for the utility to react to diverting funds from projects that have been committed or spent.

The annual pumpage number drives several components of the budget.

One is the water revenue budget. From the budgeted pumped gallons, a “billed consumption” number is calculated. On average, approximately 90% of water pumpage is billed. The approximately 10% of unbilled water is from main breaks, hydrant flushing, fire service, water used in production, and free water provided to the City of Des Moines.

The total billed consumption number of gallons is then allocated to the service areas based on historical usage. And finally, the water rates are applied to those consumption numbers by service area to calculate budgeted revenues.

The annual pumpage number is also used to determine the production at each of the three treatment facilities. Once the allocation of pumpage is determined, chemicals, energy, and residual removal expenses are budgeted based on the projected levels of production at each facility.



Historical data is one factor used to estimate direct treatment costs. To derive a budget, a set of assumptions must be used to calculate expenses. However, the ongoing mission of water treatment at DMWW is to maintain a consistent finished product despite dynamic changes in raw water quality. Therefore, day-to-day decisions are being made to provide an adequate supply of water to our customers in a manner that balances the factors of finished water quality, overall treatment expense, and regulatory compliance.

While pumpage is determined at the top level and pushed down, other elements of the budget are built from the ground up. For example, the operating budget is built one project at a time.

Example: One project, within the Distribution System Maintenance work plan, is “Repairs – Broken Mains.” The number of main breaks is reviewed for the past several years. Like pumpage, the number of main breaks can vary significantly from year to year. For example, in 2014, there were 418 breaks – a record setting year. The following year, there were 207 breaks – the lowest number for more than ten years. Again, we don’t want to budget at either extreme, so an average number of main breaks is budgeted for 2022.

Once the number of main breaks is determined, the cost elements of fixing a main break are included. These costs include pipe materials, concrete, aggregate materials, street permits, rental barricades, and of course, the labor of our distribution crews.

This type of detailed budgeting is done for the 300+ operating projects within the utility.

A similar process is done to build the capital budget. The 5-year capital improvement plan (CIP) is the starting point for the capital budget. The projects identified in the CIP are pulled into the budget templates and new projects are added for evolving capital needs. The proposed capital projects are reviewed, prioritized, and ultimately included or excluded from the budget depending on available financial resources.

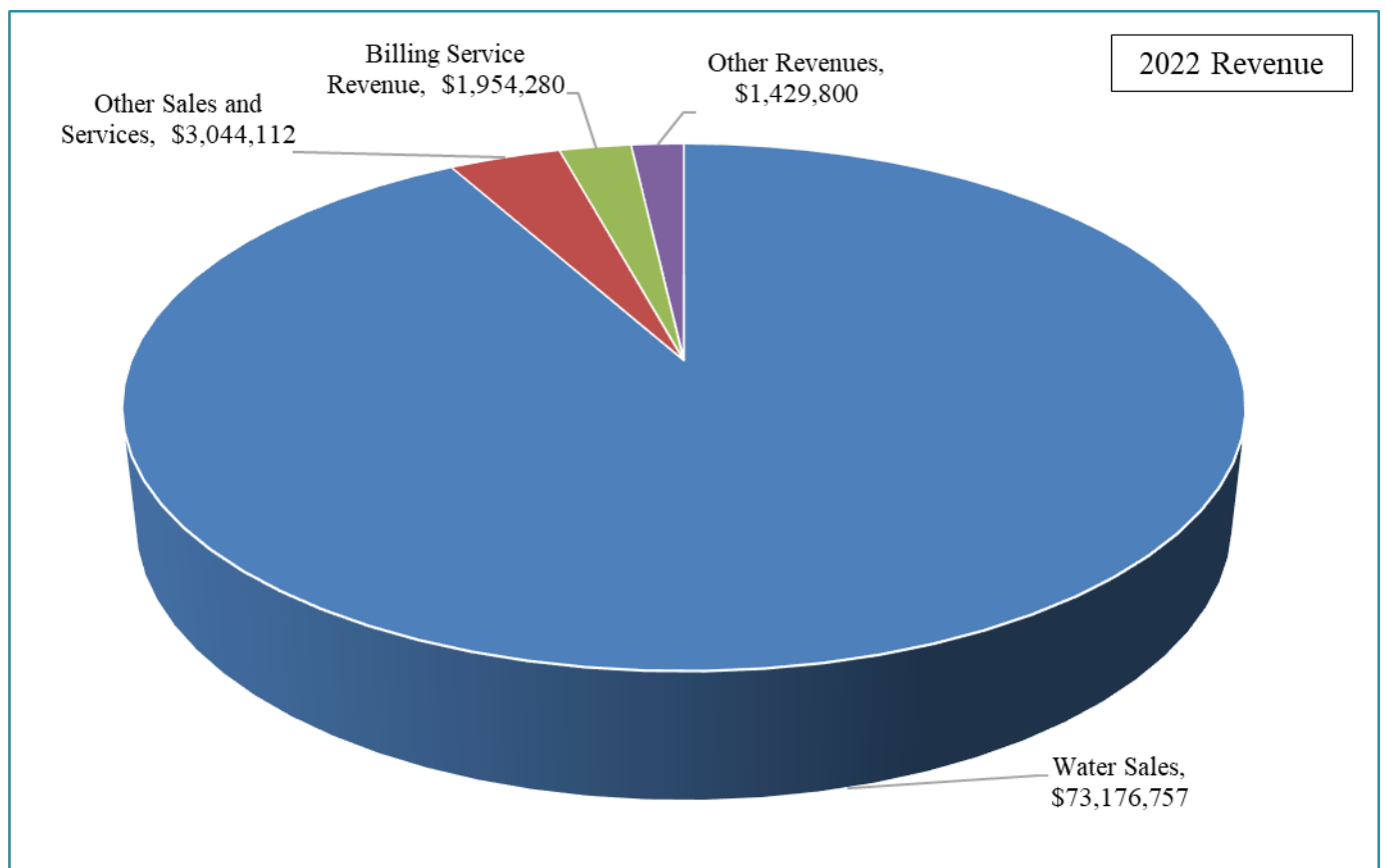
DES MOINES WATER WORKS
PROPOSED 2022 BUDGET SUMMARY AND COMPARISON TO 2021 BUDGET

	2022	2021	Percentage
	Proposed Budget	Approved Budget	Change
REVENUE:			
Water sales	\$73,176,757	\$ 68,598,478	6.7%
Debt service payments reimbursements	-	2,414,693	(100.0%)
Penalties and fees	330,000	320,000	3.1%
Other sales and services	3,044,112	2,974,184	2.4%
Billing service revenue	1,954,280	1,887,383	3.5%
Land & building use revenue	172,800	245,000	(29.5%)
Connection Fees	750,000	600,000	25.0%
Interest income	177,000	174,290	1.6%
Total revenue available for expenses	\$ 79,604,949	\$ 77,214,028	3.1%
ADDITIONAL FUNDING:			
Unspent funds carried over from prior year's approved budget	3,092,000	2,735,500	13.0%
Development Plan Review	77,948	75,312	3.5%
Other projects funded by outside entities (Bondurant, WDMWW)	1,174,395	47,989	2347.2%
Projects funded by SRF proceeds	15,989,407	-	-
Total additional funding available for expenses	\$ 20,333,750	\$ 2,858,801	611.3%
Total revenue and additional funding	\$ 99,938,699	\$ 80,072,829	24.8%
EXPENSES:			
<i>Operating expenses:</i>			
Labor	16,661,114	16,742,791	(0.5%)
Benefits	9,662,600	9,344,328	3.4%
Chemicals	5,569,749	5,264,023	5.8%
Residual Removal	3,607,708	2,327,491	55.0%
Utilities	3,000,300	2,972,976	0.9%
Gasoline/Fuel	228,660	235,818	(3.0%)
Purchased Services	7,432,896	7,477,430	(0.6%)
Training	158,860	162,390	(2.2%)
Materials and Equipment	3,901,960	3,745,252	4.2%
Insurance	1,575,000	1,440,000	9.4%
Postage	490,000	490,900	(0.2%)
Telephone	307,500	285,500	7.7%
Casualty Loss	100,000	100,000	0.0%
Loss on Bad Accounts	150,000	150,000	0.0%
Subtotal - Operating expenses	\$ 52,846,346	\$ 50,738,899	4.2%
<i>Capital expenditures:</i>			
Requests for new capital projects	42,840,211	21,772,075	96.8%
Multiple-year capital projects began before 2021 (carryover)	3,092,000	2,735,500	13.0%
Subtotal - Capital expenditures	\$ 45,932,211	\$ 24,507,575	87.4%
<i>Debt service obligations:</i>			
Des Moines Water Works' direct obligation	460,142	1,886,662	(75.6%)
Political subdivisions' obligation	-	2,439,693	(100.0%)
Subtotal - Debt service obligations	\$ 460,142	\$ 4,326,355	(89.4%)
<i>Operating reserves:</i>			
Addition to operating reserves	700,000	500,000	
Total projected uses	\$ 99,938,699	\$ 80,072,829	24.8%
Net position of revenues to expenses	0	0	

REVENUE

Operating revenue for 2022 is budgeted at \$79.6 million. This is an increase of approximately \$2.4 million and results in a 3.1% increase over the approved 2021 budget.

This revenue budget includes 17.2 billion gallons of pumpage which is slightly higher than the 2021 budget of 17.1 billion gallons. The 2022 budget includes water rates from the ‘business as usual’ approach in the Proposed 2022 Water Sales memo. This approach maintains the current rate structure and includes volume rate increases of 3% for most classes of retail customers, 15% for the wholesale purchased capacity customer class, and 0% for the wholesale with storage customer class. The new rates will be effective on April 1, 2021. The capital improvement fees and the water availability fees remain unchanged in the 2022 budget.



Water Sales are the most significant source of operating revenue, making up nearly 92% of total revenue. Water sales are budgeted to be \$73.2 million in 2022 which is \$4.6 million higher than the 2021 water sales budget.

Other Sales and Services are budgeted at approximately \$3.0 million. These revenues represent amounts budgeted within the departmental work plans. This includes reconnect fees, stop box repairs, distribution system repairs, lab testing, etc.

Billing Service Revenue is budgeted at nearly \$2.0 million. This represents fees charged to various cities, including Des Moines, Pleasant Hill, Windsor Heights, and others, for billing and collection services. This also includes revenue from HomeServe USA for billing and collection of fees from the optional service line maintenance program for residential customers.

Other Revenues, which are grouped together on the chart above, are budgeted at nearly \$1.5 million and is made up of:

Penalties & Fees	\$330,000
Connection Fees	\$750,000
Land & Bldg Lease Revenue	\$172,800
Interest Income on Invested Reserves	\$177,000

ADDITIONAL FUNDING

Additional funding is made up of three components in the 2022 budget:

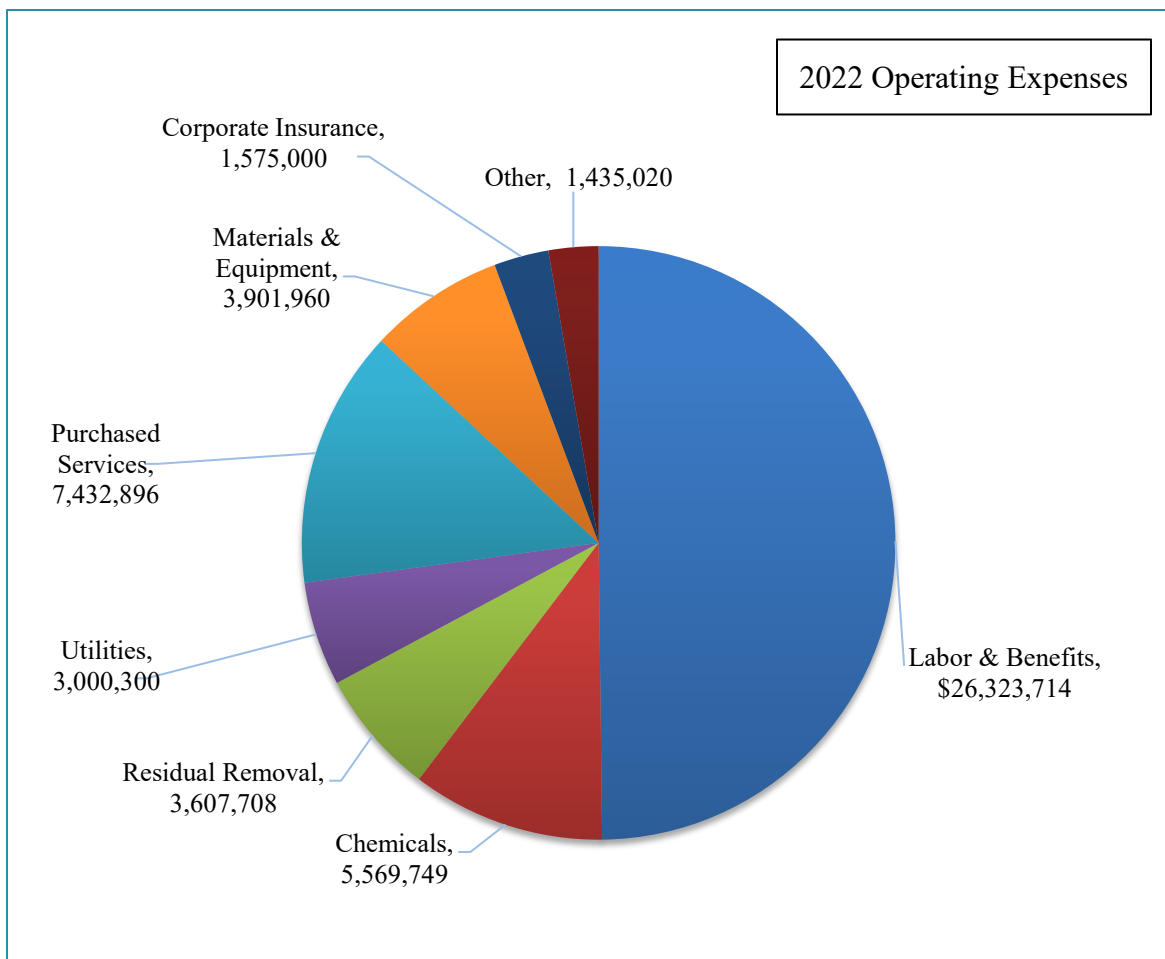
- Unspent funds that have been carried over from the prior year's budget.
- Capital projects that have funding from outside entities, including Bondurant and West Des Moines Water Works.
- Capital projects that are budgeted to be funded with State Revolving Fund (SRF) Planning & Design loans (at 0% interest for 3 years). These projects include:
 - Design and partial construction of an ASR well.
 - Design of a well field along the Des Moines River to increase the amount of alluvial ground water available for the Fleur Drive Water Treatment Plant.
 - Design of the adding horizontal collector wells along the Des Moines River to supply the Saylorville Water Treatment Plant expansion.
 - Design of expansion of the Saylorville Water Treatment Plant from 10 MGD to 20 MGD.
 - Design of the SWTP West Feeder Main Phase 3, a 30" feeder main from the Saylorville Water Treatment Plant to critical feeder mains located near Tenny Standpipe, which will provide immediate operational benefits and then become imperative on completion of plant expansion.

OPERATING EXPENSE BUDGET

The operating expense budget reflects the budgeted costs of the day-to-day operations of the utility. The proposed operating budget totals \$52.8 million. This is an increase of 4.2% or approximately \$2.1 million from the approved 2021 budget.

The table and chart below show the budgeted operating expenses, the increase over the prior years' budget for the last five years, and the components of the 2022 operating budget:

Year	Operating Budget	Increase
2017	41,633,475	
2018	43,380,343	4.2%
2019	46,060,938	6.2%
2020	48,545,551	5.4%
2021	50,738,899	4.5%
2022	52,846,346	4.2%



Details of the operating budget is shown in the table below. The largest drivers of the increase are in benefits, chemicals, and residual removal. These items are discussed in more details on the following pages.

Operating Expenses	2022 Bgt	2021 Bgt	Change
Labor	16,661,114	16,742,791	(81,677)
Benefits	9,662,600	9,344,328	318,272
Chemicals	5,569,749	5,264,023	305,726
Residual Removal	3,607,708	2,327,491	1,280,217
Utilities	3,000,300	2,972,976	27,324
Gasoline/Fuel	228,660	235,818	(7,158)
Purchased Services	7,432,896	7,477,430	(44,534)
Training	158,860	162,390	(3,530)
Materials and Equipment	3,901,960	3,745,252	156,708
Insurance	1,575,000	1,440,000	135,000
Postage	490,000	490,900	(900)
Telephone	307,500	285,500	22,000
Casualty Loss	100,000	100,000	-
Loss on Bad Accounts	150,000	150,000	-
TOTAL OPERATING EXPENSES	\$ 52,846,346	\$ 50,738,899	\$ 2,107,447

Operating **Labor** is budgeted nearly \$82,000 lower than the 2021 budget. There are offsetting factors contributing to the slightly lower operating labor expenses. The labor rate increase per the union contract is increasing operating labor by \$660,000. Offsetting this increase are approximately 4,800 fewer hours being budgeted in operating projects in 2022. These hours have shifted to capital projects. Additionally, there was \$200,000 budgeted in 2021 for retiree payouts that aren't being budgeted in 2022.

Benefit expenses are up 3.4%, or \$318,000, compared to the 2021 budget. The increase of the DMWW contribution to employees' medical premiums is the largest driver of the increase. Along with a labor rate increase comes increases to those benefits tied to wages such as FICA taxes and the DMWW contribution to IPERS and the deferred compensation plan. The actuarial defined contribution to the DMWW pension plan is budgeted at \$1,500,000 which is \$100,000 lower than the 2021 budget. More details about the benefits budget can be found on page 20.

Chemical expenses are budgeted to increase 5.8%, or \$306,000, in 2022. Two of our largest use chemicals – lime and carbon – are expected to increase 8% over last year's budget. The other chemicals are expected to increase in the range of 5-15% based on initial indications from chemical vendors. Driver shortages across the industry are likely contributing to the volatility in chemical prices.

During budgeting, the Water Production operations staff looks at historical usage trends for each chemical at each plant. That determines the projected amount of chemicals to be used for the 2022 budget. Several chemicals used at the Saylorville Treatment Plant are projected at decreased levels of usage due to historical trending. The actual usage of chemicals at the treatment plants will be made on a day-to-day basis throughout the year to provide safe, potable water.

Residual (lime) Removal expenses are up nearly \$1.3 million. This increase is due to the assumption that Synagro will remove 121,000 tons of material from the drying area to the final disposal site in 2022. The cost of this removal is budgeted at \$2.3 million.

Each year, the Fleur and McMullen treatment plants produce lime residuals. The residuals at Fleur are removed as produced. The 2022 budget assumes removal expenses for 52,000 tons of Fleur residual material. The 2021 budget assumed nearly the same tonnage to be removed.

The residuals at McMullen go through a multi-year cycle. The cycle is: fill lagoon with residuals, dry residuals, remove residuals from the lagoon to a drying area which is located near the lagoon on DMWW property, remove residuals from the drying area to off-site storage or to the final disposal site. There are two lagoons and two drying areas at the McMullen Treatment Plant. The removal cost for the McMullen residual material is multifaceted as well. There are costs incurred when the residual hauler moves material to off-site storage, when they move material from the lagoon to the drying area, and when they move material to the final disposal site. As mentioned, the 2022 budget includes costs to remove 121,000 tons of material from the drying area to final disposal. The 2021 budget included 15,000 tons of material to be moved to off-site storage and 15,000 tons of material to be moved to the final disposal site. There were also costs budgeted in 2021 to move 140,000+ cubic yards of material from the west lagoon to the north drying area. The cost of moving the material from the lagoon to the drying area is roughly one-third the cost of moving materials to the final disposal site.

Finally, it is expected that the residual hauler – Synagro – will increase their price per ton in mid-2022.

Utilities expense is up less than 1.0% in 2022. Most of the utility expense is electricity used in the treatment process.

Purchased Services budgeted in 2022 include:

Purchased Services	2022 Proposed Budget
PILOT	\$ 1,330,000
Regionalization	505,000
I.T. Maintenance Contracts	998,000
Plant Maintenance	739,000
Remote Site Maintenance	226,000
Distribution Maintenance/Repair	269,000
Stop Box Repairs	212,000
Banking/Audit/Payroll Fees	186,000
Credit Card/E-check/Bill-pay Fees	160,000
Security	536,000
Facility Maintenance	164,000
Public Relations & Communications	131,000
GDMBG in-kind services	178,000
Public Policy/Watershed Initiatives	227,000
“Other” Services (numerous)	1,571,896
Total	\$ 7,432,896

These expenses are down less than 1.0% from the 2021 budget.

Many categories of purchased services have gone up a moderate amount including plant maintenance, remote site maintenance, I.T. maintenance contracts, public relations, and security.

Regionalization expenses of \$515,000 have been included in the 2022 budget. The 2021 budget included \$415,000 in regionalization expenses that have been largely unspent due to ongoing discussions. Since the money won't be spent in 2021, it was budgeted again in 2022. These costs include consultation and facilitation services as well as DMWW's share of start-up costs for the new entity.

Public policy and watershed initiatives are budgeted at \$227,000, up from \$107,000 in the 2021 budget. This includes funds to influence and monitor public policy and resource allocation decisions of state and federal legislative and regulatory initiatives. It also supports various water quality initiatives that will improve and protect source waters, educate the public on watershed issues, and to build and participate in coalitions to ensure support for DMWW's ability to do business in a sustainable and cost-effective manner.

Offsetting these increases is the reduction of non-labor expenses for Engineering studies. The 2021 budget included \$505,000 in consulting expenses to evaluate plant expansion and to study the Des Moines River alluvial between Saylorville Reservoir and Prospect Park.

Materials & Equipment expenses include the supplies and materials used primarily in distribution, plant and remote site maintenance, laboratory supplies, and facility and vehicle maintenance. Expenses are budgeted 4.2% higher in 2022, which equates to \$157,000 on \$3.9 million of expenses.

Corporate Insurance expenses include the premium cost for the utility's insurance policies along with budgeted costs for workers' compensation claims. The 2022 budget has premium expenses increasing by \$135,000 to nearly \$1.6 million.

Other expenses include postage expenses, telephone, casualty losses, fuel for fleet vehicles, training, bad debt write-off, etc. The amount budgeted for 2022 is approximately \$10,000 higher than the 2021 budget.

Details of all the Operating Work Plans and the comparison between the 2022 Proposed Budget and the 2021 Approved Budget begin on page 21.

CAPITAL BUDGET

The 2022 capital budget includes \$45.9 million of capital requests.

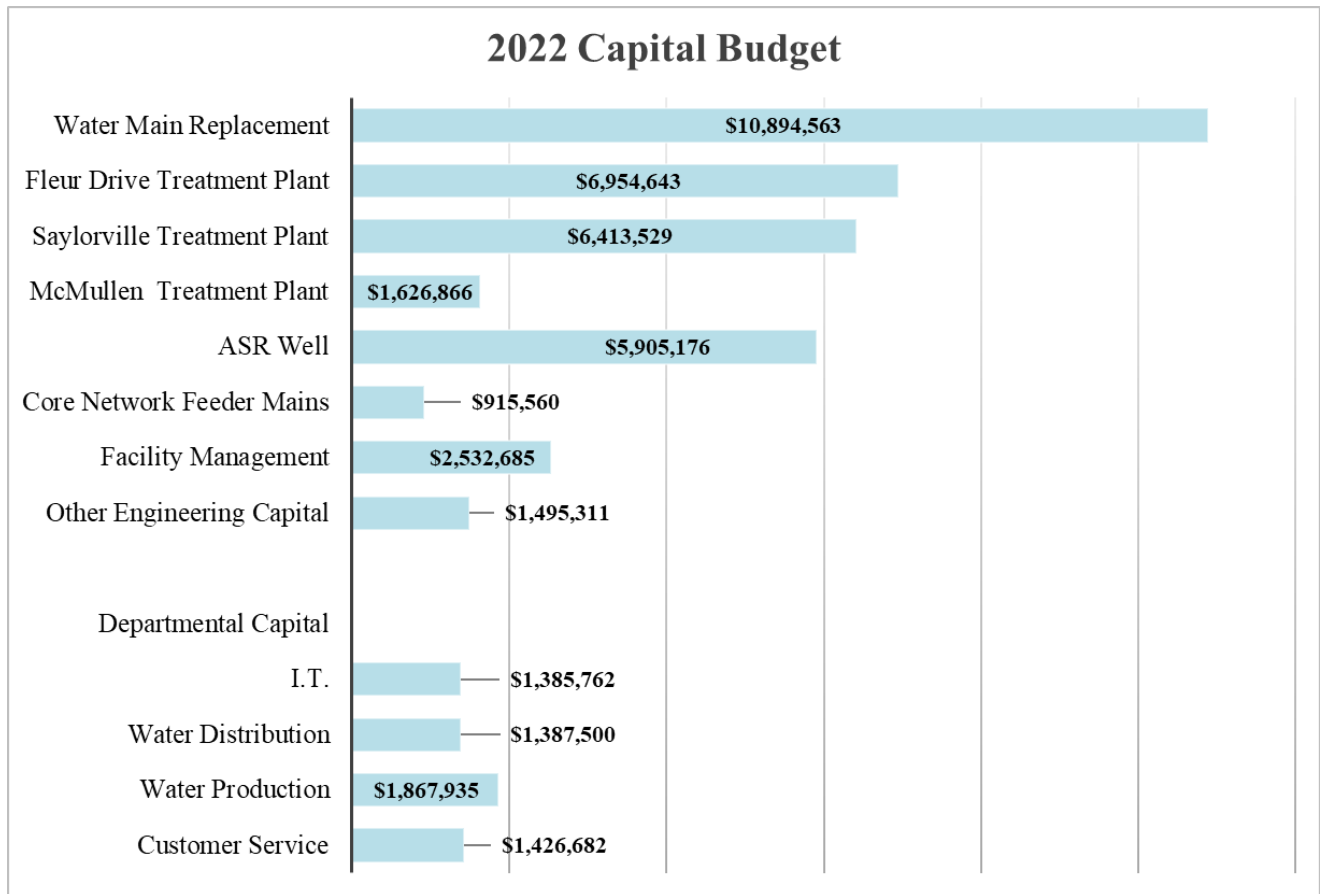
Approximately \$3.1 million of the capital budget is for projects that are carried over from the prior year's budget. Due to the efforts involved in planning, designing, bidding, and constructing large capital items, it is common for the spending to occur over multiple calendar years.

There are two projects in the budget with outside funding of \$1.2 million:

- Installation of a control valve and actuator which will be remotely operated to properly control flows in the feeder main east of the McMullen Water Treatment Plant. This level of control is needed to facilitate the data center developments planned for West Des Moines. This project is funded by West Des Moines Water Works.
- Design of a 4.5 MGD booster station and necessary supply and discharge feeder mains to serve Bondurant and rural Polk County customers is being budgeted with partial funding from Bondurant.

An additional funding source has been added to the 2022 budget. DMWW is budgeting to start several large projects in 2022 with funds being obtained through Planning & Design (P&D) loans from the Iowa State Revolving Fund (SRF). P&D loans carry 0% interest for three years. The amount of SRF funding is \$16.0 million.

That leaves approximately \$25.6 million of capital projects from the utility's revenue in 2022. This compares to \$21.7 million of capital projects budgeted from the utility's revenues in 2021.



Water main replacement is budgeted at \$10.9 million in 2022. This amount includes main replacement in Des Moines, Windsor Heights, and the unincorporated Polk County service area.

Projects budgeted at the Fleur Drive Treatment Plant include upgrading the 5kV switchgear controls, additional funds to continue upgrading the SCADA system, installing a variable frequency drive on one of the high lift pump motors, replacing media in four filters, and continuing efforts for gallery improvements and recharging the basins. The budget also includes initial funds for a well field along the Des Moines River to provide another option to improve water quality for the Fleur Drive Treatment Plant. Efforts in 2022 will primarily be focused on evaluating the sites along the river and designing the well field. This first phase of the project is budgeted at \$3.5 million in 2022 and is expected to be financed with SRF funds.

The Saylorville Treatment Plant budget contains initial design costs to expand the plant from 10 MGD to 20 MGD as well as the addition of necessary horizontal collector wells along the Des Moines River to supply the plant expansion. The total of these two projects budgeted in 2022 is \$5.8 million and is expected to be financed with SRF funds. There are also funds budgeted for ongoing replacement of the RO membranes and for the installation of a vertical production well that is expected to enhance production capabilities in advance of the planned plant expansion.

The McMullen Treatment Plant budget includes projects for upgrading the HVAC in the high-service pump room, expanding the ferric chloride storage tanks, replacing the ferric feed lines from the chemical building to the splitter box, increasing storage and feed capacity for powdered activated carbon, and rehabilitation of two radial collector wells.

Design and partial construction of a new ASR well is included in the 2022 budget at \$5.9 million. This project is expected to be financed with SRF funds.

Within the Core Network Feeder Main group are two projects. One is to design a 30” feeder main from the Saylorville Water Treatment Plant to critical feeder mains located near Tenny Standpipe. This will provide immediate operational benefits and will be imperative when the plant is expanded. The amount budgeted in 2022 is \$700,000 and is expected to be financed with SRF funds. The second project is the addition of the remotely operated control valve to benefit the data center developments in West Des Moines. This project is fully funded.

Facility Management projects include funds for interior and exterior painting at the Tenny Standpipe, replacing the elevator in the chemical building at the Fleur Drive Treatment Plant, and continued funds for projects to eliminate safety hazards.

The I.T. capital budget includes initial funding of nearly \$1.1 million to replace the PeopleSoft financial system with a new financial management system. PeopleSoft Financials was implemented in 1999. While it’s currently meeting our needs, it’s running on outdated technology and the volume of activity it has accumulated over 22+ years has caused the system to slow and reach potential breaking points. This project is expected to take two years at a total cost of approximately \$2.2 million.

There are departmental capital items that are budgeted each year to maintain and upgrade assets. While the projects continue to be budgeted each year, the same review process and prioritization occurs as with the other capital requests to determine the overall capital budget.

- The Water Distribution capital budget includes funds for replacing hydrants and valves, replacing large tools to do the tasks, as well as other upgrades.
- Customer Service budgets for meter replacement and automated meter reading equipment (.e.g., MTU) change-outs.
- I.T. has a budget for new hardware and software to replace aging equipment.
- Water Production has a capital budget to replace motors, pumps, and other individual parts within the treatment and remote facilities.
- Vehicle and equipment replacement is included in the Water Production budget.

Details of the Capital Work Plans begin on page 33.

Debt Service Obligations – Total debt service is budgeted at \$460,000 in 2022. The budget assumes the 2012A and 2012B bonds will be paid off in 2021, which will eliminate the 1.9 million in debt service payments. The remaining debt service obligation is DMWW’s obligation for payment on the SRF loans. One SRF loan was financed in 2003 and will be paid off in 2022. An additional amount representing a partial year of debt service payments is being budgeted for the SRF loans that are expected to be borrowed in 2022.

Operating Reserves – Operating reserves are budgeted at \$700,000 in 2022, compared to \$500,000 in the 2021 budget. As the operating expenses increase, so does the need to increase reserves due to increases in operating expenses to meet the Board policy of three months’ operating expenses in reserves.

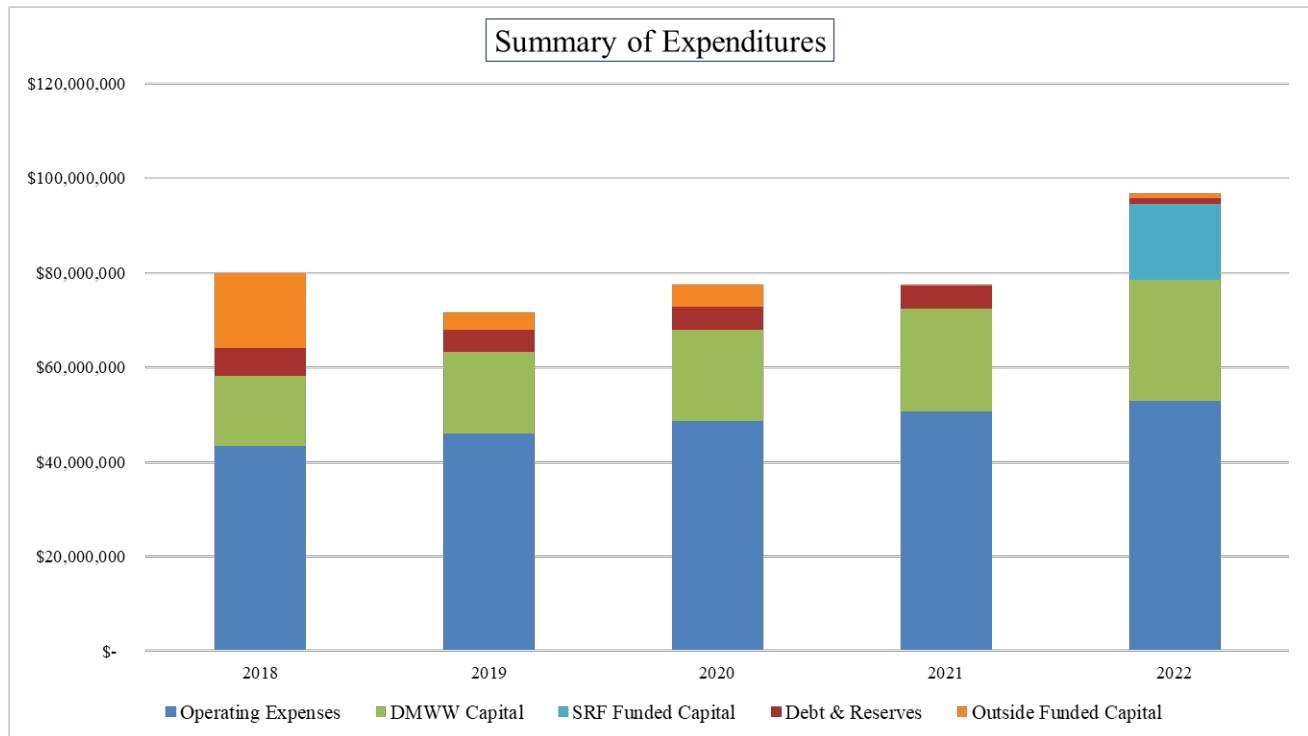
SUMMARY OF EXPENDITURES

The following chart shows five years of budgeted cash expenditures. The five main categories of expenditures are: operating expenses, DMWW funded capital expenses, SRF funded capital expenses, debt payments and increase in operating reserves, and outside funded capital expenses.

As expected, operating expenses and DMWW funded capital expenses have steadily increased through the five-year period.

Debt service payments were fairly constant from 2018-2021. The 2022 budget assumes that the 2012A and 2012B bonds will be paid off in 2021. Therefore, the only debt service payments included in the 2022 budget are the SRF loan financed in 2003 and the new SRF loans that are expected to be borrowed in 2022. The budget to increase operating reserves was \$1.5 million in 2018 due to the revenue shortfall in 2015, returned to \$500,000 for 2019-2021, and increased to \$700,000 for the 2022 budget.

Finally, outside funded capital expenses vary from year to year. These are primarily joint projects such as feeder mains and pump stations which will benefit those entities contributing the funds.



FUTURE CAPITAL EXPENSES

There are significant dollars budgeted in 2022 for projects that will take more than a year to construct or implement. The chart below shows the expenses budgeted in 2022 along with an estimate of the dollars that will need to be budgeted in subsequent years to complete those projects. These large projects have been included in the 5-year Capital Improvement Plan and are estimated in today's dollars. Certainly, as the design work is completed, the scope of work is identified, and the projects go through the formal bidding process, the amounts will be updated in future budget years.

The top section is for projects that are identified to be funded with borrowing proceeds.

The second section is for projects that will be funded through water rates.

Projects	2022 Budget	Future Years	Total Project Cost
Funded with Borrowing			
	<i>in millions</i>		
Additional ASR	\$ 5.9	\$ 2.5	\$ 8.4
Des Moines River Well Field	3.5	31.6	35.1
10 MGD Raw Water Expansion	3.0	26.6	29.5
10 MGD Plant Expansion	3.0	26.4	29.3
SWTP West Feeder Main Phase 3	0.7	6.2	6.9
Total	\$ 16.0	\$ 93.2	\$ 109.2
Funded by Rates			
PAC Facility Upgrade	\$ 0.3	\$ 2.4	\$ 2.7
Water Main Replacement - Des Moines	7.5	2.0	9.5
Water Main Replacement - Polk County	2.8	3.0	5.8
Bondurant Pump Station & Feeder (DMWW share)	0.3	2.7	3.0
Financial Management System	1.1	1.1	2.2
Total	\$ 12.0	\$ 11.2	\$ 23.2

BUDGET BY DEPARTMENT

The next page shows expenses by department sliced a little differently than the project/work plan method that the utility uses for financial reporting, cost of service, etc.

The table shows the Non-Labor expenses by department. These expenses include Materials/Inventory, Services, Utilities and are shown in the department that budgets for those expenses.

The table shows the Labor expenses for each department. This is based on which department the employee works in and does not take into consideration where that employee charges his/her time.

In 2018, a new department was created called Office of the Chief Operating Officer. This includes the areas of Risk & Incident Management, Safety, and Grounds. These functions had been part of the Water Distribution department.

2022 Budget by Department

This table shows non-labor expenses by department - that is, the department where the materials, services, etc. are budgeted. It shows the labor expenses for each department - that is, the employee's department and doesn't take into consideration where that employee charges his/her time.

NON LABOR EXPENSES	CEO	Customer Service	Engineering	Finance	Human Resources	Information Technology	OCOO	Water Distribution	Water Production	Unallocated Benefits	Total
OPERATING											
Company-Wide	-	150,000	-	1,575,000	-	-	100,000	-	-	9,662,600	11,487,600
Inventory	600	146,500	7,000	89,250	1,500	400	17,850	434,600	6,611,509	-	7,309,209
Materials	128,120	121,250	19,560	523,440	47,300	61,100	181,100	862,800	952,810	-	2,897,480
Services	840,750	280,168	35,750	604,079	202,250	1,393,601	2,127,882	607,505	5,091,159	-	11,183,144
Utilities	-	-	-	-	-	307,500	9,000	-	2,991,300	-	3,307,800
Total Operating	\$ 969,470	\$ 697,918	\$ 62,310	\$ 2,791,769	\$ 251,050	\$ 1,762,601	\$ 2,435,832	\$ 1,904,905	\$ 15,646,778	\$ 9,662,600	\$ 36,185,233
CAPITAL											
	-	1,426,682	37,070,521	-	-	1,293,500	34,000	925,492	1,792,000	-	42,542,195
LABOR EXPENSES (by department)											
	346,513	2,653,595	2,070,734	1,008,145	375,621	1,069,699	977,886	4,579,695	5,633,497	-	18,715,383
TOTAL	\$ 1,315,983	\$ 4,778,195	\$ 39,203,564	\$ 3,799,914	\$ 626,671	\$ 4,125,800	\$ 3,447,718	\$ 7,410,092	\$ 23,072,275	\$ 9,662,600	\$ 97,442,811
Full-Time Equivalents											
	2.0	35.5	21.4	10.6	4.0	9.0	13.6	54.0	63.9	-	214.0

Reconciliation to 2022 Budget Summary	
Operating Expenses	52,846,346
Capital Expenses	44,596,464
Total Expenses	97,442,810

LABOR and BENEFITS BUDGET

Labor and benefit costs makes up a significant portion of the utility's budget.

Labor hours are budgeted in operating projects and capital projects. Many positions within the utility are primarily budgeted in operating projects as the work involved is in the general day-to-day operations of the utility. These positions include those in the administrative departments of Customer Service, Finance, Human Resources, Information Technology, OCOO, and OCEO. Within the operating departments of the utility, there are positions that support the operating activities – ongoing operations and maintenance of the utility. There are positions that generally support the capital efforts – design and construction of assets, replacement of assets, etc. And then there are positions that complete both types of functions. Therefore, while the overall headcount of the utility remains constant, the allocation between operating and capital hours varies from year to year.

Employees are budgeted with non-productive time – which is their time off through the year. This includes holidays, vacation, floating holidays, and sick time. It also includes On-Call pay and for 2021, it included funds for retiree payouts. The total amount budgeted for 2022 is \$2.8 million.

The non-labor piece of benefit expenses is budgeted at \$9.7 million and includes costs for insurance premiums, employer contributions to IPERS, deferred compensation, social security taxes, contributions to the DMWW pension plan, and flex pay.

	2022 Proposed Budget	2021 Approved Budget	Percentage Change
Labor			
Operating	\$ 16,661,114	\$ 16,742,792	
Capital	2,190,016	1,974,606	
	\$ 18,851,130	\$ 18,717,398	0.7%
Benefits			
Insurance Premiums			
Employee Medical	\$ 3,851,100	\$ 3,532,200	
Retiree Medical	269,000	246,720	
Life/LTD/AD&D	59,800	60,554	
Retirement Expenses			
IPERS (9.44%)	1,777,600	1,732,463	
FICA taxes (7.65%)	1,440,500	1,403,956	
DMWW Pension	1,500,000	1,600,000	
Deferred Compensation	361,000	367,744	
Flex Dollars	378,100	376,309	
Car Allowance	25,500	24,383	
Total Benefits	\$ 9,662,600	\$ 9,344,328	3.4%
<i>% of total labor</i>	<i>51.3%</i>	<i>49.9%</i>	
Total Labor & Benefits	\$ 28,513,730	\$ 28,061,727	1.6%

2022 Operating Work Plans Recommended for Funding Office of the CEO

Work Plan & Description		2022 Proposed Budget	2021 Approved Budget	Inc / (Dec) \$ %	
Board Activities					
Facilitation of Board-related activities in accordance with Code of Iowa requirements and to assure a well-informed Board of Trustees fully prepared to render policy decisions for the optimal benefit of the utility.	Labor	144,865	133,586		
	Non Labor	562,050	469,950		
Provides for costs associated with regionalization efforts. Non-labor expense of \$505,000 was budgeted in 2022. The 2021 budget contained \$415,000 of non-labor expense for regionalization that will largely be unspent. Therefore, the money was budgeted again in 2022. This includes funds for consulting expenses, legal fees, and DMWW's share of the start-up costs for the new entity.	Total	706,915	603,536	103,379	17.1%
CEO Office Operations					
Provides for the efficient administrative and leadership support for the Office of the CEO including staff appraisals, professional support for senior management on miscellaneous non-project issues, and communication/support with outside organizations.	Labor	111,451	116,714		
	Non Labor	72,300	62,650		
	Total	183,751	179,364	4,387	2.4%
Business Strategy					
Provides for the costs associated with the visionary leadership of the utility which includes supervisor meetings, senior management team meetings, and CEO walk-arounds.	Labor	103,159	124,534		
	Non Labor	74,770	101,305		
The 2021 budget included \$100,000 for an outside consultant and \$32,000 of internal labor to facilitate a strategic plan for the utility. The 2022 budget contains \$74,000 of outside services for implementation of strategic planning tasks and organizational assessments.	Total	177,929	225,839	(47,909)	-21.2%
Project Management					
Provides costs associated with managing the Energy Management System as well as operational projects as assigned by the CEO.	Labor	3,589	17,026		
	Non Labor	33,250	33,250		
Labor hours have been reduced in this work plan to more accurately reflect where actual hours have been charged.	Total	36,839	50,276	(13,437)	-26.7%
Public Policy - Watershed Advocate					
Includes activities to influence and monitor public policy and resource allocation decisions of state and federal legislative and regulatory initiatives which have a potential impact on the utility and/or the drinking water industry's ability to provide safe drinking water to consumers in a cost effective and sustainable manner.	Labor	72,614	48,257		
	Non Labor	227,100	107,075		
Increased expenses have been budgeted to educate and engage law- and policy-makers on issues that directly reflect DMWW. This includes discussions with watershed management authorities, Central Iowa water trails, and new/emerging regulatory issues. There is also funding included to support various water quality initiatives.	Total	299,714	155,332	144,382	93.0%
Total Office of the CEO					
	Labor	435,678	440,117		
	Non Labor	969,470	774,230		
	Total	1,405,148	1,214,347	190,802	15.7%

2022 Operating Work Plans Recommended for Funding

Customer Service

Work Plan & Description		2022 Proposed Budget	2021 Approved Budget	Inc / (Dec) \$ %	
Customer Service Administration					
Captures the general and administrative costs of customer service, including training. The 2022 budget contains funds to prepare and execute the statistical customer service survey, Voice of the Customer.	Labor	55,351	56,082		
	Non Labor	56,600	15,450		
	Total	111,951	71,532	40,419	56.5%
Customer Service Contact Center & Data Quality					
Costs to provide quality customer service to both external and internal customers. This includes providing walk-in, written and telephone customer service to the customers of DMWW, as well as our billing and collecting customers. Also encompasses account maintenance and collection activities. 2022 budget contains additional funds for the customer assistance programs offered by DMWW. This includes Project H2O and Polk County Emergency Repair.	Labor	973,507	969,607		
	Non Labor	228,568	206,970		
	Total	1,202,075	1,176,577	25,498	2.2%
Field Customer Service					
Includes the costs of field service workers in completing work orders, repairing meters, administration of contracted plumbers, and repairing stop boxes.	Labor	1,195,075	1,185,715		
	Non Labor	189,900	185,983		
	Total	1,384,975	1,371,698	13,276	1.0%
Communications & Public Relations					
Provides for activities related to public relations, utility communications, website and social media support, graphics services, marketing, speaking engagements and treatment plant tours. Additional funds have been budgeted to support DMWW's social media presence, outreach events, and water quality education.	Labor	88,429	73,079		
	Non Labor	162,450	129,000		
	Total	250,879	202,079	48,800	24.1%
New Business, Community & Economic Development, Existing Relationships					
Includes client contact with key wholesale and commercial/industrial customers and the development and execution of action plans as a result of identified new business opportunities. Includes the contribution to the Greater Des Moines Partnership.	Labor	16,146	17,889		
	Non Labor	60,400	60,400		
	Total	76,546	78,289	(1,744)	-2.2%
Total Customer Service					
	Labor	2,328,507	2,302,372		
	Non Labor	697,918	597,803		
	Total	3,026,425	2,900,175	126,249	4.4%

2022 Operating Work Plans Recommended for Funding

Engineering

Work Plan & Description		2022 Proposed Budget	2021 Approved Budget	Inc / (Dec)	
				\$	%
Engineering Management					
Tracks operating costs including: communication with staff, training for Engineering staff, leadership and department meetings, safety chats, customer service, administrative support activities, attendance at city pre-app meetings, Engineering leadership support of the Water Works Park Foundation, and cell tower administration.					
	Labor	318,495	324,405		
	Non Labor	37,310	37,250		
	Total	355,805	361,655	(5,850)	-1.6%
Engineering Studies					
Covers the cost to conduct engineering studies to determine the feasibility of future capital projects as well as monitoring efforts around DMWW facilities. Two large Engineering studies relating to plant expansion and source water improvements were budgeted in 2021. The studies budgeted in 2022 are ongoing in nature as utility efforts are shifting to capital expenditures.					
	Labor	58,220	121,499		
	Non Labor	25,000	580,400		
	Total	83,220	701,899	(618,679)	-88.1%
Total Engineering					
	Labor	376,715	445,904		
	Non Labor	62,310	617,650		
	Total	439,025	1,063,554	(624,529)	-58.7%

2022 Operating Work Plans Recommended for Funding

Finance

Work Plan & Description		2022 Proposed Budget	2021 Approved Budget	Inc / (Dec)	
				\$	%
Finance Administration					
Summarizes the administrative costs for the Finance department including clerical support, performance management, and training.	Labor	48,076	52,501		
	Non Labor	31,290	29,510		
	Total	79,366	82,011	(2,645)	-3.2%
Financial Services					
Summarizes the costs related to the financial services performed throughout, and for the benefit of, the entire utility. Services include, but are not limited to: payroll, accounts payable, financial reporting, banking, annual audit, cost of service study, etc. This work plan also includes the corporate insurance premiums.	Labor	392,773	461,449		
	Non Labor	1,780,100	1,636,150		
	Total	2,172,873	2,097,599	75,274	3.6%
Premium expense for corporate insurance is budgeted to increase \$137,000 in 2022 based on discussions with our insurance broker. Labor expenses are decreasing as Finance hours are being budgeted in I.T. capital to begin implementation of a new financial management software.					
Payment Processing					
Summarizes the costs to perform accounts receivable billing, collection, and balancing functions for the utility.	Labor	74,897	69,018		
	Non Labor	183,450	169,350		
	Total	258,347	238,368	19,979	8.4%
Fees for processing electronic payments are budgeted to increase by \$10,000.					
Mail Processing					
Summarizes the costs to prepare and mail customer bills.	Labor	46,901	44,328		
	Non Labor	608,150	605,050		
	Total	655,051	649,378	5,673	0.9%
Purchasing & Central Stores					
Provides support to our internal customers for purchasing, warehousing and delivering of product in a cost effective and timely manner.	Labor	206,532	204,348		
	Non Labor	7,350	5,750		
	Total	213,882	210,098	3,784	1.8%
Greater Des Moines Botanical Gardens					
Summarizes the in-kind services provided to the GDMBG according to our agreement.	Labor	18,571	21,937		
	Non Labor	181,429	178,063		
	Total	200,000	200,000	(1)	0.0%
Total Finance					
	Labor	787,751	853,582		
	Non Labor	2,791,769	2,623,873		
	Total	3,579,520	3,477,455	102,065	2.9%

2022 Operating Work Plans Recommended for Funding

Human Resources

Work Plan & Description		2022 Proposed Budget	2021 Approved Budget	Inc / (Dec)	
				\$	%
HR Administration					
Captures the general clerical and administrative costs of the Human Resources department.					
	Labor	60,991	52,798		
	Non Labor	18,500	21,000		
	Total	79,491	73,798	5,693	7.7%
Employee Relations					
Includes costs for the use of focus groups, labor/management committees, recognition initiatives, the Spigot employee newsletter, employee meetings, one-on-one issue identification and resolution, formal grievance resolution, and administration of DMWW's drug-free workplace program.					
	Labor	149,451	190,034		
	Non Labor	44,500	47,700		
	Total	193,951	237,734	(43,783)	-18.4%
The 2021 budget included labor costs for union contract negotiations with AFSCME.					
Employment					
Provides resources for recruiting and selecting quality new employees for vacant positions. Equal Employment Opportunity and affirmative action compliance is also assured.					
	Labor	26,811	24,968		
	Non Labor	67,500	27,795		
	Total	94,311	52,763	41,547	78.7%
The 2022 budget includes consulting expenses to develop a diversity, equity, and inclusion plan for the utility.					
Compensation & Benefits					
Includes costs associated with maintaining and enhancing a competitive, cost-effective and compliant employee compensation and benefits program.					
	Labor	81,737	61,369		
	Non Labor	70,700	64,800		
	Total	152,437	126,169	26,267	20.8%
Labor hours have increased in the 2022 budget to better align with where actual hours are being charged.					
Employee Learning & Growth					
Provides for the administration and coordination of utility-wide employee training, continual learning, career planning, and work-life balance initiatives.					
	Labor	3,544	3,340		
	Non Labor	49,850	55,550		
	Total	53,394	58,890	(5,497)	-9.3%
Total Human Resources					
	Labor	322,532	332,509		
	Non Labor	251,050	216,845		
	Total	573,582	549,354	24,228	4.4%

2022 Operating Work Plans Recommended for Funding

Information Technology

Work Plan & Description		2022 Proposed Budget	2021 Approved Budget	Inc / (Dec) \$	%
I.T. Administration					
Captures the general and administrative costs of the I.T. department including: invoice processing, budget tracking, performance management and training.					
	Labor	125,875	118,927		
	Non Labor	55,600	55,600		
	Total	181,475	174,527	6,947	4.0%
Technical Services					
Provides technical support for all hardware and software components used for client computing. This includes file serving, printing, PC software and hardware maintenance, computer operations, helpdesk support, PC upgrades and patches. Additionally, IT computer operations are supported, including activities around nightly processing, reporting, and printing.					
	Labor	123,145	98,474		
	Non Labor	167,300	179,200		
	Total	290,445	277,674	12,771	4.6%
I.T. Development					
Provides technical support for all applications and software components used for corporate computing. This includes application support and application development.					
	Labor	28,959	27,756		
	Non Labor	40,000	40,000		
	Total	68,959	67,756	1,202	1.8%
System Services					
Provides technical support for all network hardware, software, and components used for utility computing. This includes all networking, file serving, printing, disaster recovery, security, backups, internet connectivity, upgrades, and patches.					
	Labor	167,665	160,149		
	Non Labor	672,605	611,505		
	Total	840,270	771,654	68,616	8.9%
Increases relate to cyber-security, server support and telecommunications. An initiative to add an active redundant internet connection (SD-WAN) is included in the 2022 budget.					
I.T. Services					
Provides resources to support all facets of software and hardware as they relate to core I.T. services including in-house software applications, purchased applications, support, reporting, and technical consulting.					
	Labor	403,744	399,099		
	Non Labor	827,096	819,208		
	Total	1,230,840	1,218,307	12,533	1.0%
Total I.T.					
	Labor	849,387	804,406		
	Non Labor	1,762,601	1,705,513		
	Total	2,611,988	2,509,919	102,069	4.1%

2022 Operating Work Plans Recommended for Funding

Office of the Chief Operating Officer

Work Plan & Description		2022 Proposed Budget	2021 Approved Budget	Inc / (Dec) \$ %	
OCOO Administration					
Administrative costs for the Office of the Chief Operating Officer including employee meetings, performance management, and training. Increased labor hours are as a result of aligning the budget to where actual hours are being charged.	Labor	64,882	47,539	17,923	34.6%
	Non Labor	4,900	4,320		
	Total	69,782	51,859		
Risk & Incident Management					
Costs including park police, contract security, access control, surveillance, emergency operations, and flood protective measures. Also includes costs associated with liability claims. Labor expenses have decreased as a result of not filling the Risk Manager position.	Labor	113,687	140,451	(23,964)	-2.8%
	Non Labor	708,500	705,700		
	Total	822,187	846,151		
Grounds Maintenance					
Management and maintenance of DMWW properties as well as properties maintained under 28E agreements with the City of Des Moines. Includes labor and materials to administer park events that are held in Water Works Park.	Labor	512,004	494,628	15,093	0.7%
	Non Labor	1,614,182	1,616,466		
	Total	2,126,186	2,111,094		
Safety					
Captures the general and administrative costs of the safety program - which includes labor, outside consultants to provide training, and safety materials and supplies.	Labor	122,835	132,271	(19,486)	-7.8%
	Non Labor	108,250	118,300		
	Total	231,085	250,571		
Total Office of the COO					
	Labor	813,408	814,889	(10,435)	-0.3%
	Non Labor	2,435,832	2,444,786		
	Total	3,249,240	3,259,675		

2022 Operating Work Plans Recommended for Funding

Water Distribution

Work Plan & Description		2022 Proposed Budget	2021 Approved Budget	Inc / (Dec) \$	%
Distribution Administration (Distribution Support)					
Administrative costs for the Distribution department including clerical support, employee meetings, performance management, and training.	Labor	180,154	181,950		
	Non Labor	33,840	49,940		
	Total	213,994	231,890	(17,895)	-7.7%
Training expenses are down in the 2022 budget to better align with actual expenses.					
Des Moines Field Support					
Tasks required to support distribution system maintenance and utility locates; including work order processing, twenty-four hour dispatch, record updates, database maintenance, and customer contact.	Labor	525,569	492,996		
	Non Labor	50,557	47,296		
	Total	576,126	540,292	35,834	6.6%
Labor hours have increased to better align with actual expenses. There continues to be labor budgeted for implementation of EPA's revised Lead and Copper Rule Revisions.					
Distribution System Maintenance & Repair					
Costs for distribution system maintenance and repair tasks which include repairing broken water mains, hydrant and valve maintenance and repair, flushing dead end water mains, adjusting valve boxes to grade for city paving projects, and maintaining cathodic protection systems.	Labor	1,628,291	1,652,991		
	Non Labor	1,244,448	1,228,604		
	Total	2,872,739	2,881,595	(8,856)	-0.3%
Leak Detection and Locating					
Costs for leak detection, locating, customer distribution services (complaints/inquiries), and feeder signage maintenance.	Labor	670,038	640,012		
	Non Labor	41,700	39,300		
	Total	711,738	679,312	32,425	4.8%
Increase in labor hours is due to an increase in the number locate tickets being done annually.					
Distribution Billed Services					
Costs for billed services including making taps for new service lines, providing contracted leak location services, repairing damaged facilities, and repairing inoperable service valves.	Labor	208,680	206,523		
	Non Labor	482,510	482,510		
	Total	691,190	689,033	2,157	0.3%
Distribution Water Quality					
Maintain the quality of the water in the distribution system through administration of the cross-connection control program and the implementation of the initiatives that will maintain water quality and response to water quality complaints.	Labor	168,185	162,028		
	Non Labor	51,850	56,050		
	Total	220,035	218,078	1,958	0.9%
Total Water Distribution					
	Labor	3,380,918	3,336,501		
	Non Labor	1,904,905	1,903,700		
	Total	5,285,823	5,240,201	45,622	0.9%

2022 Operating Work Plans Recommended for Funding
Water Production (page 1 of 3)

Work Plan & Description		2022 Proposed Budget	2021 Approved Budget	Inc / (Dec) \$ %	
Water Production Administration					
Administrative and support costs for the Water Production department including clerical support, employee meetings, performance management, and training.	Labor	306,361	301,853		
	Non Labor	85,200	83,200		
	Total	391,561	385,053	6,508	1.7%
Water Production Operations					
To provide a safe and reliable drinking water supply to the customers of Des Moines Water Works in sufficient quantities and at adequate pressures to meet their needs.	Labor	966,855	945,268		
	Non Labor	117,600	107,835		
	Total	1,084,455	1,053,103	31,352	3.0%
Fleur Plant Chemicals & Energy					
Provide the water treatment chemicals and energy necessary to insure the production of safe, high quality water in sufficient quantities to meet our customers' needs. Provides funding for the removal of lime softening residuals.	Labor	20,707	11,359		
	Non Labor	6,109,494	5,759,997		
	Total	6,130,202	5,771,356	358,845	6.2%
Increased costs are a result of higher production being budgeted at this plant along with moderate increases in chemical prices.					
McMullen Plant Chemicals & Energy					
Provide the water treatment chemicals and energy necessary to insure the production of safe, high quality water in sufficient quantities to meet our customers' needs. Provides funding for the removal of lime softening residuals.	Labor	90,970	88,325		
	Non Labor	4,219,150	2,971,294		
	Total	4,310,120	3,059,619	1,250,501	40.9%
Increases in chemical prices accounts for \$63,000 of the increase. The remainder is attributable to 121,000 tons of residual material budgeted to be removed from the drying area to the final disposal site.					
SWTP Chemicals & Energy					
Provide the water treatment chemicals and energy necessary to insure the production of safe, high quality water in sufficient quantities to meet our customers' needs.	Labor	104,331	102,453		
	Non Labor	942,412	922,678		
	Total	1,046,743	1,025,131	21,612	2.1%
Fleur Maintenance					
Includes all maintenance and repair expenses of the Fleur Drive treatment plant, Des Moines River intake/pump station, Fleur electric substation, flooding station, and pressed sludge lagoons.	Labor	918,377	818,356		
	Non Labor	1,018,830	1,005,205		
	Total	1,937,207	1,823,561	113,646	6.2%
Increased labor hours budgeted due to a new position has been added in Water Production maintenance.					
McMullen Maintenance					
Includes all maintenance and repair expenses of the McMullen Treatment Plant, radial collector wells, Crystal Lake, and ASR.	Labor	251,286	237,573		
	Non Labor	303,840	281,667		
	Total	555,126	519,240	35,886	6.9%
SWTP Maintenance					
Includes mechanical and electrical maintenance for the Saylorville Water Treatment Plant.	Labor	203,402	245,478		
	Non Labor	299,485	273,586		
	Total	502,887	519,064	(16,177)	-3.1%

2022 Operating Work Plans Recommended for Funding

Water Production (page 2 of 3)

Work Plan & Description		2022 Proposed Budget	2021 Approved Budget	Inc / (Dec) \$	%
Water Production Maintenance Oversight Provides oversight efforts for the daily planning of maintenance in Water Production. Also encompasses the efforts to maintain the CMMS system.	Labor	217,923	208,269		
	Non Labor	-	-		
	Total	217,923	208,269	9,654	4.6%
Louise P. Moon Pumping Maintenance Provides for maintenance of the Louise P. Moon Storage and Pumping Facility, the Waukee Booster Station, the LPM ASR facility, and Waukee/Xenia Booster station which will ensure water is provided in acceptable quantities at desirable pressures.	Labor	75,632	66,459		
	Non Labor	465,120	446,295		
	Total	540,752	512,754	27,998	5.5%
Polk County Storage & Pumping Provides for maintenance of the Polk County Pumping Station which will ensure water is provided to our Ankeny and Polk County customers in acceptable quantities at desirable pressures.	Labor	35,432	34,751		
	Non Labor	116,600	115,390		
	Total	152,032	150,141	1,891	1.3%
Des Moines Remote Storage Provides for the maintenance of remote facilities within the cities of Des Moines and Pleasant Hill, the Norwalk booster station, Polk City booster station, Southeast Polk/Bondurant chloramination facility, sites in Runnells for water and waste water operations, Army Post Road ASR facility, and the new Joint Maffitt Lake Booster Station.	Labor	209,062	200,860		
	Non Labor	532,620	431,125		
	Total	741,682	631,985	109,697	17.4%
Lab Operations Routine, non-investigative testing in the chemistry laboratory related to regulatory compliance and assessment of treatment plant processes.	Labor	382,441	357,853		
	Non Labor	233,000	205,639		
	Total	615,441	563,492	51,949	9.2%
Water Quality Research Investigative testing concerning water quality and plant process improvements.	Labor	63,200	62,444		
	Non Labor	88,000	73,000		
	Total	151,200	135,444	15,756	11.6%

2022 Operating Work Plans Recommended for Funding

Water Production (page 3 of 3)

Work Plan & Description		2022 Proposed Budget	2021 Approved Budget	Inc / (Dec) \$ %	
Radio Communication Equipment					
Maintenance and supervision expenses of the trunked radio system and telemetry system.					
	Labor	14,778	14,723		
	Non Labor	34,500	33,500		
	Total	49,278	48,223	1,055	2.2%
HVAC Operations					
To operate, maintain, and repair all heating, air conditioning, and ventilation equipment for all DMWW facilities.					
	Labor	68,583	82,847		
	Non Labor	69,956	53,500		
	Total	138,539	136,347	2,192	1.6%
Facility Maintenance					
Captures the general and administrative costs of building upkeep and general facility maintenance.					
	Labor	166,429	160,676		
	Non Labor	411,960	418,400		
	Total	578,389	579,076	(687)	-0.1%
Vehicle Maintenance					
Costs for maintaining the vehicles and equipment for our internal users. It also provides support to fabricating and repairing tools and parts for our customers.					
	Labor	463,505	446,088		
	Non Labor	599,010	585,068		
Minor increases budgeted for vehicle repair parts to maintain the aging fleet.	Total	1,062,515	1,031,156	31,359	3.0%
Total Water Production					
	Labor	4,559,274	4,385,634		
	Non Labor	15,646,778	13,767,380		
	Total	20,206,051	18,153,014	2,053,037	11.3%

2022 Operating Work Plans Recommended for Funding

Summary Operating Expenses	2022 Proposed Budget	2021 Approved Budget	Inc / (Dec)
Total by Department			
CEO	1,405,148	1,214,347	190,802
Customer Service	3,026,425	2,900,175	126,249
Engineering	439,025	1,063,554	(624,529)
Finance	3,579,520	3,477,455	102,065
HR	573,582	549,354	24,228
IT	2,611,988	2,509,919	102,069
Office of the COO	3,249,240	3,259,675	(10,435)
Water Distribution	5,285,823	5,240,201	45,622
Water Production	20,206,051	18,153,014	2,053,037
Utility Benefits	12,469,544	12,371,206	98,338
Includes non-productive time (vacation, sick, holiday) and benefits (health insurance, deferred comp match, pension, IPERS, FICA, retiree payouts in 2022, etc.)			
Total Recommended Operating Budget	<u>52,846,346</u>	<u>50,738,900</u>	2,107,446 4.2%

2022 CAPITAL Work Plans Recommended for Funding

Work Plan & Description		2022 Proposed Budget	2021 Approved Budget	Inc / (Dec) \$	%
Field Customer Service Capital					
Provides capital materials (meters & MTUs) needed to update and keep our current meter reading system updated and provide accurate meter reads needed for billing. We will also continue to work towards completion of our meter change-out program of meters in service for over 17 years.					
	Labor	-	-		
	Non Labor	1,426,682	1,361,003		
	Total	1,426,682	1,361,003	65,679	4.8%
Facility Management					
Includes costs of providing rehabilitation and enhancements as needed to extend the service life and improve the function of buildings and structures owned by Des Moines Water Works.					
	Labor	129,185	224,266		
	Non Labor	4,979,500	2,882,118		
	Total	5,108,685	3,106,384	2,002,302	64.5%
Projects budgeted include:					
Safety compliance		105,594			
Interior and exterior painting of the Tenny Standpipe		1,049,787			
Two additional Trimble units		74,275			
Replacement of the elevator in the FDTP chemical building		263,917			
Construction of a new grounds shop		1,326,000	\$1.0 million carried over from 2021 bgt.		
Improvement to the stormwater system at the FDTP		1,838,381	\$1.5 million carried over from 2021 bgt		
		4,657,954			
Fleur Drive Treatment Plant					
Includes costs of providing rehabilitation and enhancements as needed to extend the service life and improve the function of buildings and structures at the Fleur Drive Treatment Plant.					
	Labor	270,963	256,703		
	Non Labor	7,199,680	4,085,500		
	Total	7,470,643	4,342,203	3,128,440	72.0%
Projects budgeted include:					
DM River well field		3,482,432	Funded by SRF Borrowing		
Filter media replacement		750,241			
WHL discharge header paint		169,159			
VFD high lift pumps		468,894			
SCADA network improvements		929,706	\$500k carried over from 2021 bgt		
East low/east high flood protection		309,559			
5kV switch gear upgrade		617,687			
PAC facility upgrade		301,686			
Fluoride room improvements		245,394			
		7,274,758			
McMullen Treatment Plant					
Includes costs of providing rehabilitation and enhancements as needed to extend the service life and improve the function of buildings and structures at the McMullen Treatment Plant.					
	Labor	102,866	16,370		
	Non Labor	1,524,000	729,000		
	Total	1,626,866	745,370	881,496	118.3%
Projects budgeted include:					
Rehabilitation of collector wells		772,688			
HVAC upgrades in high-service pump room		136,940			
Ferric chloride expansion		214,103			
Ferric feed line replacement		246,703			
PAC system redundant storage and feed		256,431			
		1,626,865			

2022 CAPITAL Work Plans Recommended for Funding

Work Plan & Description		2022 Proposed Budget	2021 Approved Budget	Inc / (Dec)	
				\$	%
Saylorville Treatment Plant					
Includes costs of providing rehabilitation and enhancements as needed to extend the service life and improve the function of buildings and structures at the Saylorville Treatment Plant.	Labor	104,029	24,659		
	Non Labor	6,309,500	634,000		
	Total	6,413,529	658,659	5,754,870	873.7%
Projects budgeted include:					
Expansion of raw water		2,954,389	Funded by SRF Borrowing		
10 MGD expansion of SWTP		2,952,611	Funded by SRF Borrowing		
RO membrane replacement		206,530			
Vertical production well		300,000			
SCADA network improvements		6,413,530			
New ASR Well					
Captures costs to construct a new ASR well. This project is budgeted to be completely funded by SRF.	Labor	114,076	-		
	Non Labor	5,791,100	-		
	Total	5,905,176	-	5,905,176	-
Water Main Replacement					
Captures costs of maintaining and upgrading the water distribution system by replacing mains that have a history of breaks, will result in improved water flow, or that need to be relocated to accommodate city, county, or state construction projects.	Labor	553,563	648,112		
	Non Labor	10,341,000	9,997,410		
	Total	10,894,563	10,645,522	249,042	2.3%
Water main replacement by service area:					
Des Moines		7,505,366			
Polk County		2,814,907			
Windsor Heights		574,290			
		10,894,563			
Core Network Feeder Mains					
Projects here typically include the transmission, storage, and pumping that serve as core network facilities. Typically these are significant enhancements/additions that serve, or effectively stand to serve, the broader regional water system needs.	Labor	31,160	-		
	Non Labor	884,400	-		
	Total	915,560	-	915,560	-
Projects budgeted include:					
SWTP west feeder main phase 3		694,799	Funded by SRF Borrowing		
Army Post-Maffitt-FD remote valve		220,761	Funded by WDMWW		
		915,560			
Development Plan Review					
Provides a mechanism to track the time spent by Engineering staff to review development of large tap plans, inspect construction, and update records for new mains and services.	Labor	238,948	260,101		
	Non Labor	41,191	103,908		
	Total	280,139	364,009	(83,870)	-23.0%

2022 CAPITAL Work Plans Recommended for Funding

Work Plan & Description		2022 Proposed Budget	2021 Approved Budget	Inc / (Dec) \$	%
Bondurant Feeder Main & Pump Station					
This work plan consists of installing a new feeder mains (suction & discharge) and a booster pumping station with 4.5 MGD capacity to serve Bondurant and Polk County rural area. This project is ~70% funded by Bondurant.					
	Labor	15,021	-		
	Non Labor	1,200,150	-		
	Total	1,215,171	-	1,215,171	-
Joint Northwest Storage, Pumping Station, & Feeder					
Joint Southwest Storage, Pumping Station & Feeder					
These two joint projects were finished in 2021. No budget in 2022.					
	Labor	-	62,580		
	Non Labor	-	-		
	Total	-	62,580	(62,580)	-
I.T. Capital					
Provides funding for investments into hardware and software infrastructures to ensure that a reliable, secure, capable, fully functional computing environment is available to our users and customers. The 2022 budget includes funds for ongoing replacement of hardware and software, Microsoft licensing, and cyber-security. Additionally, there is \$1.1 million budgeted begin the implementation of a new financial management system. This is expected to be a \$2.2 million project and will be budgeted over two years.					
	Labor	92,262	26,465		
	Non Labor	1,293,500	254,000		
	Total	1,385,762	280,465	1,105,297	394.1%
Water Distribution System Improvements					
Summarized costs for distribution system upgrades such as tying in dead end mains and installation of new hydrants and valves. Replacement tools and equipment are also included in this work plan.					
	Labor	462,008	373,011		
	Non Labor	925,492	789,029		
	Total	1,387,500	1,162,039	225,460	19.4%
Grounds Capital					
Provides for capital replacement for specific grounds and park maintenance capital. Included in the 2022 budget is a commercial spreader/sprayer for park maintenance. There is also a new dock and kayak access budgeted at Maffitt Park. This project is funded by Friends of Maffitt Lake.					
	Labor	-	-		
	Non Labor	34,000	-		
	Total	34,000	-	34,000	
Water Production Plant Reinvestment					
Provides necessary capital for replacement and/or improvements of existing equipment and the addition of new equipment to ensure the effective operation of the utility and its processes.					
	Labor	68,297	64,426		
	Non Labor	900,000	900,000		
	Total	968,297	964,426	3,871	0.4%
Vehicle Replacement					
Captures the cost of replacing vehicles and related equipment.					
	Labor	7,638	17,915		
	Non Labor	892,000	797,000		
	Total	899,638	814,915	84,723	10.4%
Total Recommended Capital Budget					
		45,932,211	24,507,574	21,424,637	87.4%
Summary by Expense Classification					
Total Labor		2,190,016	1,974,606	215,410	
Total Non Labor		43,742,195	22,532,968	21,209,227	
Summary by Funding Source					
Carryover		3,092,000	2,735,500		
Funded by Outside Entities		1,174,395	47,989		
Funded by SRF Loans		15,989,407	-		
Funded by Utility Revenue		25,676,409	21,724,085		

DMWW Budget Process & Timeline

April – May

- Finance prepares budget templates for 2022 budget entry.
- Finance provides budget training/refreshers, as needed.

June – July

- Departmental teams prepare project/work plan budgets which include labor hours by position (which results in labor dollars) and non-labor resources requested. A work plan is a grouping of like projects. For example:
 - Department: Water Production
 - Work Plan: Fleur Maintenance
 - Projects: Raw Intake/Pumping, Basins, Chemical Systems, Filter Plant, etc.
- Senior managers review the work plans of their department.

August-September

- Review of all work plans by “review team” which consists of CEO/GM, Chief Operating Officer, Chief Financial Officer, and Controller.
- Initial review session with department senior manager and the review team
- Teams revise work plans based on feedback from their review session.
- Finance staff compiles work plans into utility budget.

September

- Senior management team meets to balance available resources with budget requests.

October

- Finance staff presents budget for discussion and review at Board Committee meetings.
- Board reviews and discusses budget at October meeting, sets public hearing for November board meeting.

November

- Public hearing is held, and Board approves budget at November meeting.

December

- Budget documents are forwarded to Des Moines City Clerk for receipt and file by City Council.



DES MOINES WATER WORKS
Board of Water Works Trustees

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

AGENDA ITEM FORM

SUBJECT: Resolution Authorizing the Redemption of Outstanding Water Revenue Refunding Bonds, Series 2012A, dated October 30, 2012

SUMMARY:

DMWW issued \$4,605,000 water revenue refunding bonds, 2012A Series, on October 30, 2012. These bonds mature on December 1, 2025 and are subject to optional (early) redemption on December 1, 2021. The remaining principal for redemption is \$600,000.

Staff and DMWW's Municipal Advisor, Maggie Burger, Speer Financial, Inc. recommend redemption of the bonds.

Attached is a Resolution Authorizing the Redemption of the Outstanding Water Revenue Refunding Bonds, Series 2012A, dated October 30, 2012 and Notice of the Call of Bonds for Redemption, prepared by bond counsel, Eric Boehlert, of Ahlers & Cooney. Staff will mail the Notice to registered bondholders and provide the Notice in proper form to The Depository Trust Company (DTC), which serves as the clearing agency for bond financial transactions, not less than 30 days prior to the redemption date.

FISCAL IMPACT:




The net additional cash necessary to pay off the 2012A bonds on December 1, 2021 is \$139,500, which is \$600,000 principal less \$460,500 held in debt service reserve funds (DSRF) to be released at and applied to the redemption. Excess water revenue from 2020 will be used to fund the net additional cash necessary for redemption. Redeeming the bonds on December 1, 2021 will result in interest savings of \$14,250.

RECOMMENDED ACTION:

Adopt the "Resolution Authorizing the Redemption of Outstanding Water Revenue Refunding Bonds, Series 2012A, of the City of Des Moines, State of Iowa, dated October 30, 2012, and directing notice be given"

BOARD REQUIRED ACTION:

Motion and roll call vote to adopt the "Resolution Authorizing the Redemption of Outstanding Water Revenue Refunding Bonds, Series 2012A, of the City of Des Moines, State of Iowa, dated October 30, 2012, and directing notice be given"

 _____ (date)	 Amy Kahler, CPA Chief Financial Officer	 _____ (date)	Ted Corrigan, P.E. CEO and General Manager
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Attachment: Resolution; Notice of the Call of Bonds for Redemption

October 26, 2021

The Board of Water Works Trustees of the City of Des Moines, State of Iowa, met in _____ session, in the Des Moines Water Works Board Room, 2201 George Flagg Parkway, Des Moines, Iowa, at _____ .M., on the above date. There were present Chairperson _____, in the chair, and the following named Board Members:

Absent: _____

Vacant: _____

* * * * *

Trustee _____ introduced the following Resolution entitled "A RESOLUTION AUTHORIZING THE REDEMPTION OF OUTSTANDING WATER REVENUE REFUNDING BONDS, SERIES 2012A, OF THE CITY OF DES MOINES, STATE OF IOWA, DATED OCTOBER 30, 2012, AND DIRECTING NOTICE BE GIVEN" and moved its adoption. Trustee _____ seconded the motion to adopt. The roll was called, and the vote was:

AYES: _____

NAYS: _____

Whereupon, the Chairperson declared the resolution duly adopted as follows:

RESOLUTION AUTHORIZING THE REDEMPTION OF
OUTSTANDING WATER REVENUE REFUNDING BONDS,
SERIES 2012A, OF THE CITY OF DES MOINES, STATE OF
IOWA, DATED OCTOBER 30, 2012, AND DIRECTING
NOTICE BE GIVEN

WHEREAS, the Board of Water Works Trustees of the City of Des Moines, State of Iowa, (hereinafter referred to as the "Issuer") did by resolution dated October 23, 2012, authorize the issuance of \$4,605,000 Water Revenue Refunding Bonds, Series 2012A, (the "Bonds") dated October 30, 2012; and

WHEREAS, the Bonds are redeemable in any order of their numbering on December 1, 2021 or any date thereafter upon giving notice in the manner provided in the resolution authorizing the issuance of the Bonds; and

WHEREAS, it is deemed necessary and advisable that \$600,000 be so redeemed on December 1, 2021 and notice of redemption be given according to the terms of the resolution authorizing issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, STATE OF IOWA:

Section 1. That outstanding Water Revenue Refunding Bonds, Series 2012A, dated October 30, 2012, in the principal amount of \$600,000, be and the same are hereby redeemed as of December 1, 2021.

Section 2. The Issuer has available funds to service all remaining obligations related to these Bonds. Accordingly, as of the redemption date authorized herein, the remaining mandatory

tax provisions for the Bonds, as contained in the "RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SECURING THE PAYMENT OF \$4,605,000 WATER REVENUE REFUNDING BONDS, SERIES 2012A, OF THE CITY OF DES MOINES, STATE OF IOWA, UNDER THE PROVISIONS OF THE CITY CODE OF IOWA, AND PROVIDING FOR A METHOD OF PAYMENT OF THE BONDS", dated October 23, 2012, on file with the Polk County Auditor are hereby rescinded.

Section 3. The Registrar and Paying Agent, the Chief Financial Officer of the Issuer, is hereby authorized and directed to cause notice of such redemption be given not less than thirty (30) days prior to the redemption date and to cause notice of redemption to be provided to the registered owners of the Bonds (DTC).

Section 4. The Chief Financial Officer is hereby authorized and directed to cause to be deposited in a separate fund sum sufficient to pay all principal and interest on the redeemed Bonds to the date of redemption and to notify the Issuer's dissemination agent to post the Notice of Redemption to the MSRB's website (EMMA) in searchable PDF format for the refunded Bonds in accordance with the Continuing Disclosure Certificate for the Bonds.

Section 5. That the form of such notice be substantially as follows:

NOTICE OF THE CALL OF BONDS FOR REDEMPTION TO THE HOLDERS OF THE
FOLLOWING DESCRIBED BONDS:

Please take notice that the Bonds described below have been called for redemption. Owners of the Bonds should present their Bonds for payment on the redemption date.

Issuer: Board of Water Works Trustees of the City of Des Moines, State of Iowa

Original Issue Amount: \$4,605,000

Bond Issue: Water Revenue Refunding Bonds, Series 2012A

Dated Date: October 30, 2012

Redemption Date: December 1, 2021

Redemption Price: Par, plus accrued interest

Bonds Called for Redemption

<u>CUSIP Numbers</u>	<u>Bond Numbers</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
250152 GD1	10	\$500,000	2.000%	December 1, 2022
250152 GE9	11	\$100,000	2.125%	December 1, 2023

No representation is made as to the accuracy of the CUSIP numbers printed herein or on the Bonds.

This represents a full call of the outstanding obligations. All interest will cease to accrue on the Redemption Date.

CHIEF FINANCIAL OFFICER, Des Moines
Water Works, Iowa

(End of Notice)

PASSED AND APPROVED this 26th day of October, 2021.

Chairperson

ATTEST:

Secretary of the Board of Trustees

CERTIFICATE

STATE OF IOWA

)

) SS

COUNTY OF POLK

)

I, the undersigned Secretary of the Board of Water Works Trustees of the City of Des Moines, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the records of the Board of Trustees showing proceedings of the Board, and the same is a true and complete copy of the action taken by the Board with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Board and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Board pursuant to the local rules of the Board and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective City offices as indicated therein, that no Board vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of the Board hereto affixed this _____ day of _____, 2021.

Secretary of the Board of Water Works
Trustees, City of Des Moines, State of Iowa

(SEAL)

AGENDA ITEM FORM

SUBJECT: Resolution Authorizing the Redemption of Outstanding Water Revenue Refunding Bonds, Series 2012B, dated October 30, 2012

SUMMARY:

DMWW issued \$39,400,000 water revenue refunding bonds, 2012B Series, on October 30, 2012. These bonds mature on December 1, 2025 and are subject to optional (early) redemption on December 1, 2021. The remaining principal for redemption is \$12,350,000. Approximately 70% of the 2012B bonds are the responsibility of wholesale customers who purchased capacity in DMWW's Core Network and participated in the bond issuance to pay for their purchased capacity.

Staff and DMWW's Municipal Advisor, Maggie Burger, Speer Financial, Inc. recommend redemption of the 2012B bonds. Wholesale participants to the bonds wish to participate in and fund their respective portions of redemption, as demonstrated by the attached resolutions passed by the participant governing bodies. Participants will remit their redemption amounts to DMWW by November 19. The chart below shows the respective principal, Debt Service Reserve Fund (DSRF) apportionment, net redemption amount, and interest savings for each entity:

Entity	Remaining Principal	Debt Service Reserve Funds (DSRF) Apportioned	Net Owed After DSRF Release	Interest Savings
Ankeny	\$3,218,840	\$959,459.40	\$2,259,380.60	\$228,320.76
Bondurant	\$264,040	\$77,807.40	\$186,232.60	\$18,835.62
Des Moines	\$60,220	\$18,832.40	\$41,387.60	\$4,181.90
Pleasant Hill*	\$2,204,824	\$703,399.80	\$1,501,424.20	\$156,310.76
Southeast Polk*	\$1,870,054	\$596,600.20	\$1,273,453.80	\$132,577.10
Urbandale Water Utility	\$3,692,493	\$1,099,710.90	\$2,592,782.10	\$261,650.46
WDMWW	\$1,039,529	\$313,211.90	\$726,317.10	\$73,673.58
Waukee**	n/a	\$170,978.00	(\$170,978.00)	n/a
Total	\$12,350,000	\$3,940,000	\$8,410,000	\$875,550.18

*As Total Service customers of DMWW, Pleasant Hill and Southeast Polk redemptions will be paid by DMWW from accumulated capital funds collected from the customers in these respective areas.

**Waukee previously redeemed their portion of the debt; however, DMWW has held the DSRF associated with their initial borrowing. This DSRF amount of \$170,978 will be returned to Waukee after the funds are released at redemption.

Attached is a Resolution Authorizing the Redemption of the Outstanding Water Revenue Refunding Bonds, Series 2012B, dated October 30, 2012 and Notice of the Call of Bonds for Redemption, prepared by bond counsel, Eric Boehlert, of Ahlers & Cooney. Staff will mail the Notice to registered bondholders and provide the Notice in proper form to The Depository Trust Company (DTC), which serves as the clearing agency for bond financial transactions, not less than 30 days prior to the redemption date.

FISCAL IMPACT:


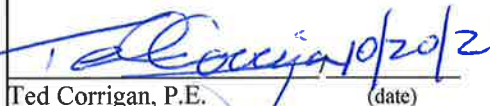
The net additional cash necessary to pay off the 2012B bonds on December 1, 2021 is \$8,410,000, which is \$12,350,000 principal less \$3,940,000 held in debt service reserve funds (DSRF) to be released at and applied to the redemption. Participants will fund \$5,764,712.40 of this amount, and DMWW will be responsible for \$2,816,265.60. For the amount owed by DMWW, excess water revenue from 2020 or accumulated capital funds held on behalf of the respective Total Service customers will be used to fund the net additional cash necessary for redemption. Redeeming the bonds on December 1, 2021 will result in interest savings of \$875,550.18 in total, apportioned among the participants as shown above.

RECOMMENDED ACTION:

Adopt the "Resolution Authorizing the Redemption of Outstanding Water Revenue Refunding Bonds, Series 2012B, of the City of Des Moines, State of Iowa, dated October 30, 2012, and directing notice be given"

BOARD REQUIRED ACTION:

Motion and roll call vote to adopt the "Resolution Authorizing the Redemption of Outstanding Water Revenue Refunding Bonds, Series 2012B, of the City of Des Moines, State of Iowa, dated October 30, 2012, and directing notice be given"

 (date) 10/18/21	 (date) 10/20/21
Amy Kahler, CPA Chief Financial Officer	Ted Corrigan, P.E. CEO and General Manager

Attachment: Resolution; Notice of the Call of Bonds for Redemption

October 26, 2021

The Board of Water Works Trustees of the City of Des Moines, State of Iowa, met in _____ session, in the Des Moines Water Works Board Room, 2201 George Flagg Parkway, Des Moines, Iowa, at _____ .M., on the above date. There were present Chairperson _____, in the chair, and the following named Board Members:

Absent: _____

Vacant: _____

* * * * *

Trustee _____ introduced the following Resolution entitled "A RESOLUTION AUTHORIZING THE REDEMPTION OF OUTSTANDING WATER REVENUE REFUNDING BONDS, SERIES 2012B, OF THE CITY OF DES MOINES, STATE OF IOWA, DATED OCTOBER 30, 2012, AND DIRECTING NOTICE BE GIVEN" and moved its adoption. Trustee _____ seconded the motion to adopt. The roll was called, and the vote was:

AYES: _____

NAYS: _____

Whereupon, the Chairperson declared the resolution duly adopted as follows:

RESOLUTION AUTHORIZING THE REDEMPTION OF
OUTSTANDING WATER REVENUE REFUNDING BONDS,
SERIES 2012B, OF THE CITY OF DES MOINES, STATE OF
IOWA, DATED OCTOBER 30, 2012, AND DIRECTING
NOTICE BE GIVEN

WHEREAS, the Board of Water Works Trustees of the City of Des Moines, State of Iowa, (hereinafter referred to as the "Issuer") did by resolution dated October 23, 2012, authorize the issuance of \$39,400,000 Water Revenue Refunding Bonds, Series 2012B, (the "Bonds") dated October 30, 2012; and

WHEREAS, the Bonds are redeemable in any order of their numbering on December 1, 2021 or any date thereafter upon giving notice in the manner provided in the resolution authorizing the issuance of the Bonds; and

WHEREAS, it is deemed necessary and advisable that \$12,350,000 be so redeemed on December 1, 2021 and notice of redemption be given according to the terms of the resolution authorizing issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, STATE OF IOWA:

Section 1. That outstanding Water Revenue Refunding Bonds, Series 2012B, dated October 30, 2012, in the principal amount of \$12,350,000, be and the same are hereby redeemed as of December 1, 2021.

Section 2. The Issuer has available funds to service all remaining obligations related to these Bonds. Accordingly, as of the redemption date authorized herein, the remaining mandatory

tax provisions for the Bonds, as contained in the "RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SECURING THE PAYMENT OF \$39,400,000 WATER REVENUE REFUNDING BONDS, SERIES 2012B, OF THE CITY OF DES MOINES, STATE OF IOWA, UNDER THE PROVISIONS OF THE CITY CODE OF IOWA, AND PROVIDING FOR A METHOD OF PAYMENT OF THE BONDS", dated October 23, 2012, on file with the Polk County Auditor are hereby rescinded.

Section 3. The Registrar and Paying Agent, the Chief Financial Officer of the Issuer, is hereby authorized and directed to cause notice of such redemption be given not less than thirty (30) days prior to the redemption date and to cause notice of redemption to be provided to the registered owners of the Bonds (DTC).

Section 4. The Finance Director is hereby authorized and directed to cause to be deposited in a separate fund sum sufficient to pay all principal and interest on the redeemed Bonds to the date of redemption and to notify the Issuer's dissemination agent to post the Notice of Redemption to the MSRB's website (EMMA) in searchable PDF format for the refunded Bonds in accordance with the Continuing Disclosure Certificate for the Bonds.

Section 5. That the form of such notice be substantially as follows:

NOTICE OF THE CALL OF BONDS FOR REDEMPTION TO THE HOLDERS OF THE
FOLLOWING DESCRIBED BONDS:

Please take notice that the Bonds described below have been called for redemption. Owners of the Bonds should present their Bonds for payment on the redemption date.

Issuer: Board of Water Works Trustees of the City of Des Moines, State of Iowa
Original Issue Amount: \$39,400,000

Bond Issue: Water Revenue Refunding Bonds, Series 2012B

Dated Date: October 30, 2012

Redemption Date: December 1, 2021

Redemption Price: Par, plus accrued interest

Bonds Called for Redemption

<u>CUSIP Numbers</u>	<u>Bond Numbers</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
250152 GQ2	10	\$3,295,000	3.000%	December 1, 2022
250152 GR0	11	\$3,405,000	3.000%	December 1, 2023
250152 GS8	12	\$3,520,000	3.000%	December 1, 2024
250152 GT6	13	\$2,130,000	3.000%	December 1, 2025

No representation is made as to the accuracy of the CUSIP numbers printed herein or on the Bonds.

This represents a full call of the outstanding obligations. All interest will cease to accrue on the Redemption Date.

CHIEF FINANCIAL OFFICER, Des Moines
Water Works, Iowa

(End of Notice)

PASSED AND APPROVED this 26th day of October, 2021.

Chairperson

ATTEST:

Secretary of the Board of Trustees

CERTIFICATE

STATE OF IOWA

)

) SS

COUNTY OF POLK

)

I, the undersigned Secretary of the Board of Water Works Trustees of the City of Des Moines, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the records of the Board of Trustees showing proceedings of the Board, and the same is a true and complete copy of the action taken by the Board with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Board and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Board pursuant to the local rules of the Board and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective City offices as indicated therein, that no Board vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of the Board hereto affixed this _____ day of _____, 2021.

Secretary of the Board of Water Works
Trustees, City of Des Moines, State of Iowa

(SEAL)

RESOLUTION 2021-360

**A RESOLUTION APPROVING INTENT TO PAY THE REMAINING WATER
REVENUE BONDS, SERIES 2012B DEBT SERVICE PAYMENTS TO THE
DES MOINES WATER WORKS**

WHEREAS, the City of Ankeny, Polk County, Iowa is a duly organized municipal corporation within the State of Iowa, and

WHEREAS, in 2012 the Des Moines Water Works issued \$39.4 million in Water Revenue Bonds, Series 2012B, and

WHEREAS, the bonds were originally issued in 2006 by Des Moines Water Works, in part, to construct the Saylorville Water Treatment Plant, and

WHEREAS, the City of Ankeny participated in this original bond issuance to purchase capacity in the Des Moines Water Works core network, and

WHEREAS, the City of Ankeny desires to pay no later than November 19, 2021, the remaining debt service payments to the Des Moines Water Works in the amount of \$2,259,380.60, and

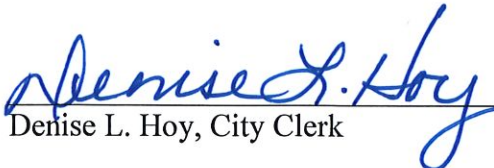
NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Ankeny, Iowa, that it approves to pay no later than November 19, 2021, the remaining debt service payments to the Des Moines Water Works in the amount of \$2,259,380.60.

Passed and approved the 4th day of October, 2021.



Gary Lorenz, Mayor

Attest:



Denise L. Hoy, City Clerk

CITY OF BONDURANT
RESOLUTION NO. 211018-280

Resolution authorizing the early redemption of the City's allocable share of the Water Revenue Bonds, Series 2012B

WHEREAS, the City of Bondurant (the "City"), in Bondurant County, State of Iowa previously authorized Des Moines Water Works ("DMWW") to issue \$39,400,000 Water Revenue Bonds, Series 2012B (the "2012B Bonds"), a portion of which were attributed to the City as its allocable share, and

WHEREAS, a portion of the 2012B Bonds currently remains outstanding (the "Outstanding Bonds"), maturing on December 1, 2025, and the remaining allocable share of the Outstanding Bonds owed by the City is \$186,232.60 (the "City's Allocable Share"); and

WHEREAS, pursuant to the resolution authorizing the issuance of the Outstanding Bonds, DMWW reserved the right to prepay principal of the Outstanding Bonds in whole or in part on December 1, 2021; and

WHEREAS, DMWW has now proposed to call for the early redemption of the Outstanding Bonds, and the City Council has now proposed to authorize the early redemption of the City's Allocable Share of such bonds on December 1, 2021 (the "Redemption Date");

NOW, THEREFORE, It Is Resolved by the City Council of the City of Bondurant, Iowa, as follows:

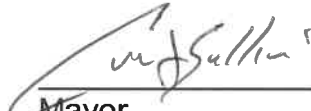
Section 1. The City hereby publicly declares its intent that the City's Allocable Share of the principal of the Outstanding Bonds be called for early redemption on the Redemption Date.

Section 2. Payment will be remitted by the City to DMWW as needed to call the City's Allocable Share of the Outstanding Bonds.

Section 3. All resolutions and orders or parts thereof in conflict with the provisions of this resolution, to the extent of such conflict, are hereby repealed.

Section 4. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved October 18, 2021.



Mayor

Attest:



City Clerk

ATTESTATION CERTIFICATE

STATE OF IOWA
BONDURANT COUNTY
CITY OF BONDURANT

SS:

I, the undersigned, City Clerk of the City of Bondurant, do hereby certify that attached hereto is a true and correct copy of the proceedings of the City Council relating to the City Council's intention to authorize the call and redemption the City's Allocable Share of Des Moines Water Works' outstanding Water Revenue Bonds, Series 2012B.

WITNESS MY HAND this 18th day of October, 2021.


City Clerk

October 12, 2021

The Board of Trustees, Urbandale Water Utility, Urbandale, Iowa met in Regular session, in the Municipal Water Utility Conference Room*, 3720 86th Street, Urbandale, Iowa at 5:00 o'clock P.M., on the above date. There were present Chairperson John McCune, in the chair, and the following named Board Members:

Phil Noah, Pat Boddy

Absent: none

Vacant: none

* * * * *

*Public participation in the electronic meeting is available via the means outlined in the meeting Agenda.

Board Member Pat Boddy introduced the following Resolution entitled "RESOLUTION AUTHORIZING THE REDEMPTION OF URBANDALE WATER UTILITY'S PORTION OF OUTSTANDING WATER REVENUE REFUNDING BONDS, SERIES 2012B, OF THE DES MOINES WATER WORKS, CITY OF DES MOINES, STATE OF IOWA, DATED OCTOBER 30, 2012" and moved its adoption. Board Member Phil Noah seconded the motion to adopt. The roll was called and the vote was,

AYES: McCune, Noah, Boddy

NAYS: None

Whereupon, the Chairperson declared the resolution duly adopted as follows:

RESOLUTION AUTHORIZING THE REDEMPTION OF
URBANDALE WATER UTILITY'S PORTION OF
OUTSTANDING WATER REVENUE REFUNDING BONDS,
SERIES 2012B, OF THE DES MOINES WATER WORKS, CITY
OF DES MOINES, STATE OF IOWA, DATED OCTOBER 30,
2012

WHEREAS, the Board of Trustees of the Des Moines Water Works (the "DMWW Board"), by resolution dated October 23, 2012 (the "2012B Resolution"), authorized the issuance of \$39,400,000 Water Revenue Refunding Bonds, Series 2012B (the "Bonds") for the purpose of paying costs of the refunding of outstanding water revenue indebtedness, including the Water Revenue Bonds, Series 2006, dated March 1, 2006, which was originally issued to fund certain capital improvements including the construction of the Saylorville Water Treatment Plant; and

WHEREAS, Urbandale Water Utility ("UWU") is a participant in that certain Wholesale Water Service Master Agreement with the DMWW Board, pursuant to which the DMWW Board issued the Bonds, UWU benefited from the Bonds, and UWU financially participated in the issuance; and

WHEREAS, the Bonds are subject to optional redemption on December 1, 2021; and

WHEREAS, DMWW Board has inquired whether participants want to pay their proportionate share at said time; and

WHEREAS, UWU's proportionate share of the December 1, 2021, redemption of the Bonds is \$2,592,782.10 (consisting of UWU's proportionate share of the outstanding principal

amount of the Bonds (\$3,692,493) less UWU's portion of the debt service reserve fund for the Bonds (\$1,099,710.90) which will be applied to the redemption); and

WHEREAS, it is deemed necessary and advisable that UWU's proportionate share of the outstanding principal amount of the Bonds in the amount of \$3,692,493 be so redeemed on December 1, 2021, and that UWU pay the net amount of \$2,592,782.10 to the DMWW Board for said redemption.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES, URBANDALE WATER UTILITY, IN THE COUNTIES OF POLK AND DALLAS, STATE OF IOWA:

Section 1. That UWU's outstanding portion of the Bonds, in the amount of \$3,692,493, be redeemed by the DMWW Board as of December 1, 2021.

Section 2. The Registrar and Paying Agent, Director of Finance, Des Moines Water Works, Des Moines, Iowa, is hereby requested to cause notice of such redemption be given not less than thirty (30) days prior to December 1, 2021 in accordance with the 2012B Resolution.

Section 3. The Registrar and Paying Agent, Director of Finance, Des Moines Water Works, Des Moines, Iowa, is hereby requested to apply UWU's portion of the debt service reserve fund for the Bonds, in the amount of \$1,099,710.90, towards the redemption, leaving a remainder of \$2,592,782.10 to be paid and applied towards the redemption as provided in Section 4 of this Resolution.

Section 4. The UWU Finance Manager and Treasurer is hereby authorized and directed to cause \$2,592,782.10 to be deposited with DMWW on or before November 19, 2021, said amount to be applied by the Registrar and Paying Agent, Director of Finance, Des Moines Water Works, Des Moines, Iowa, towards the redemption, in full satisfaction of UWU's outstanding portion of the 2012B Bonds as of December 1, 2021.

Section 5. A copy of this resolution shall be filed with the DMWW Board on or before October 22, 2021.

PASSED AND APPROVED this 12th day of October, 2021.



Chairperson

ATTEST:



Secretary

CERTIFICATE

STATE OF IOWA

)

) SS

COUNTY OF POLK

)

I, the undersigned Secretary of the Urbandale Water Utility, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the corporate records of the Utility showing proceedings of the Board, and the same is a true and complete copy of the action taken by the Board with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Board and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Board pursuant to the local rules of the Board and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective offices as indicated therein, that no Board vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of the Utility hereto affixed this 12th day of October, 2021.



Secretary, Urbandale Water Utility, State of Iowa

(SEAL)

ITEMS TO INCLUDE ON AGENDA FOR OCTOBER 20, 2021

**THE BOARD OF TRUSTEES OF THE WEST DES MOINES WATER WORKS,
CITY OF WEST DES MOINES, IOWA**

Water Revenue Refunding Bonds, Series 2012B (of Des Moines Water Works)

- Resolution Authorizing the Redemption of West Des Moines Water Works' Portion of Outstanding Water Revenue Refunding Bonds, Series 2012B, of the Des Moines Water Works, City of Des Moines, State of Iowa, dated October 30, 2012

NOTICE MUST BE GIVEN PURSUANT TO IOWA CODE
CHAPTER 21 AND THE LOCAL RULES OF THE WATER
WORKS.

October 20, 2021

The Board of Trustees of West Des Moines Water Works, West Des Moines, Iowa, met in Open session, in the Plant Conference Room, 1505 Railroad Avenue, West Des Moines, Iowa, at 3:30 o'clock P.M., on the above date. There were present Chairperson Brennan, in the chair, and the following named Board Members:

Smith, Thomsen, Tegeler, Sheriff

Absent: _____

Vacant: _____

* * * * *

Board Member Jody Smith introduced the following Resolution entitled "RESOLUTION AUTHORIZING THE REDEMPTION OF WEST DES MOINES WATER WORKS' PORTION OF OUTSTANDING WATER REVENUE REFUNDING BONDS, SERIES 2012B, OF THE DES MOINES WATER WORKS, CITY OF DES MOINES, STATE OF IOWA, DATED OCTOBER 30, 2012" and moved its adoption. Board Member Gretchen Tegeler seconded the motion to adopt. The roll was called and the vote was,

AYES: Smith, Tegeler, Sheritt, Brennan, Thomsen

NAYS: _____

Whereupon, the Chairperson declared the resolution duly adopted as follows:

RESOLUTION AUTHORIZING THE REDEMPTION OF WEST
DES MOINES WATER WORKS' PORTION OF
OUTSTANDING WATER REVENUE REFUNDING BONDS,
SERIES 2012B, OF THE DES MOINES WATER WORKS, CITY
OF DES MOINES, STATE OF IOWA, DATED OCTOBER 30,
2012

WHEREAS, the Board of Trustees of the Des Moines Water Works (the "DMWW Board"), by resolution dated October 23, 2012 (the "2012B Resolution"), authorized the issuance of \$39,400,000 Water Revenue Refunding Bonds, Series 2012B (the "Bonds") for the purpose of paying costs of the refunding of outstanding water revenue indebtedness, including the Water Revenue Bonds, Series 2006, dated March 1, 2006, which was originally issued to fund certain capital improvements including the construction of the Saylorville Water Treatment Plant; and

WHEREAS, West Des Moines Water Works ("WDMWW") is a participant in that certain Wholesale Water Service Master Agreement with the DMWW Board, pursuant to which the DMWW Board issued the Bonds, WDMWW benefited from the Bonds, and WDMWW financially participated in the issuance; and

WHEREAS, the Bonds are subject to optional redemption on December 1, 2021; and

WHEREAS, DMWW Board has inquired whether participants want to pay their proportionate share at said time; and

WHEREAS, WDMWW's proportionate share of the December 1, 2021, redemption of the Bonds is \$726,317.10 (consisting of WDMWW's proportionate share of the outstanding principal amount of the Bonds (\$1,039,529) less WDMWW's portion of the debt service reserve fund for the Bonds (\$313,211.90) which will be applied to the redemption); and

WHEREAS, it is deemed necessary and advisable that WDMWW's proportionate share of the outstanding principal amount of the Bonds in the amount of \$1,039,529 be so redeemed on December 1, 2021, and that WDMWW pay the net amount of \$726,317.10 to the DMWW Board for said redemption.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE WEST DES MOINES WATER WORKS, STATE OF IOWA:

Section 1. That WDMWW's outstanding portion of the Bonds, in the amount of \$1,039,529, be redeemed by the DMWW Board as of December 1, 2021.

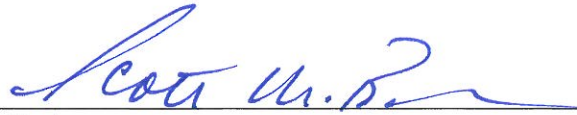
Section 2. The Registrar and Paying Agent, Director of Finance, Des Moines Water Works, Des Moines, Iowa, is hereby requested to cause notice of such redemption be given not less than thirty (30) days prior to December 1, 2021 in accordance with the 2012B Resolution.

Section 3. The Registrar and Paying Agent, Director of Finance, Des Moines Water Works, Des Moines, Iowa, is hereby requested to apply WDMWW's portion of the debt service reserve fund for the Bonds, in the amount of \$313,211.90, towards the redemption, leaving a remainder of \$726,317.10 to be paid and applied towards the redemption as provided in Section 4 of this Resolution.

Section 4. The WDMWW Finance Manager and Treasurer is hereby authorized and directed to cause \$726,317.10 to be deposited with DMWW on or before November 19, 2021, said amount to be applied by the Registrar and Paying Agent, Director of Finance, Des Moines Water Works, Des Moines, Iowa, towards the redemption, in full satisfaction of WDMWW's outstanding portion of the 2012B Bonds as of December 1, 2021.

Section 5. A copy of this resolution shall be filed with the DMWW Board on or before October 22, 2021.

PASSED AND APPROVED this 20th day of October, 2021.


Chairperson

ATTEST:



Secretary of the Board of Trustees

CERTIFICATE

STATE OF IOWA)
) SS
COUNTIES OF POLK, DALLAS,
WARREN, MADISON)

I, the undersigned Secretary of the Board of Trustees of the West Des Moines Water Works of the City of West Des Moines, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the corporate records of the Board of Trustees showing proceedings of the Board, and the same is a true and complete copy of the action taken by the Board with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Board and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Board (a copy of the face sheet of the agenda being attached hereto) pursuant to the local rules of the Board and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective offices as indicated therein, that no Board vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of the City hereto affixed this 20th day of October, 2021.


Secretary of the Board of Trustees

Secretary of the Board of Trustees, West Des
Moines Water Works, City of West Des
Moines, State of Iowa

(SEAL)

AGENDA ITEM FORM

SUBJECT: Acceptance of Highway G14 Feeder Main

SUMMARY:

- At its August 2020 Board meeting, the Board of Water Works Trustees awarded a contract to On Track Construction, LLC, in the amount of \$1,264,264.00 for the Highway G14 Feeder Main project.
- All work associated with this contract has been satisfactorily completed.
- There were no change orders on this contract.
- There were some slight variations in the final constructed quantities (relative to estimate quantities) that resulted in a final contract price for the Highway G14 Feeder Main project of \$1,270,023.70.

FISCAL IMPACT:

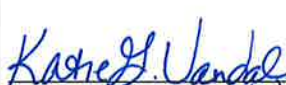


Funds for this project will come from the Joint Southwest Storage, Pumping, and Feeder Mains budget. The City of Norwalk will reimburse Des Moines Water Works 100% for all design and construction costs related to these facilities.

RECOMMENDED ACTION:

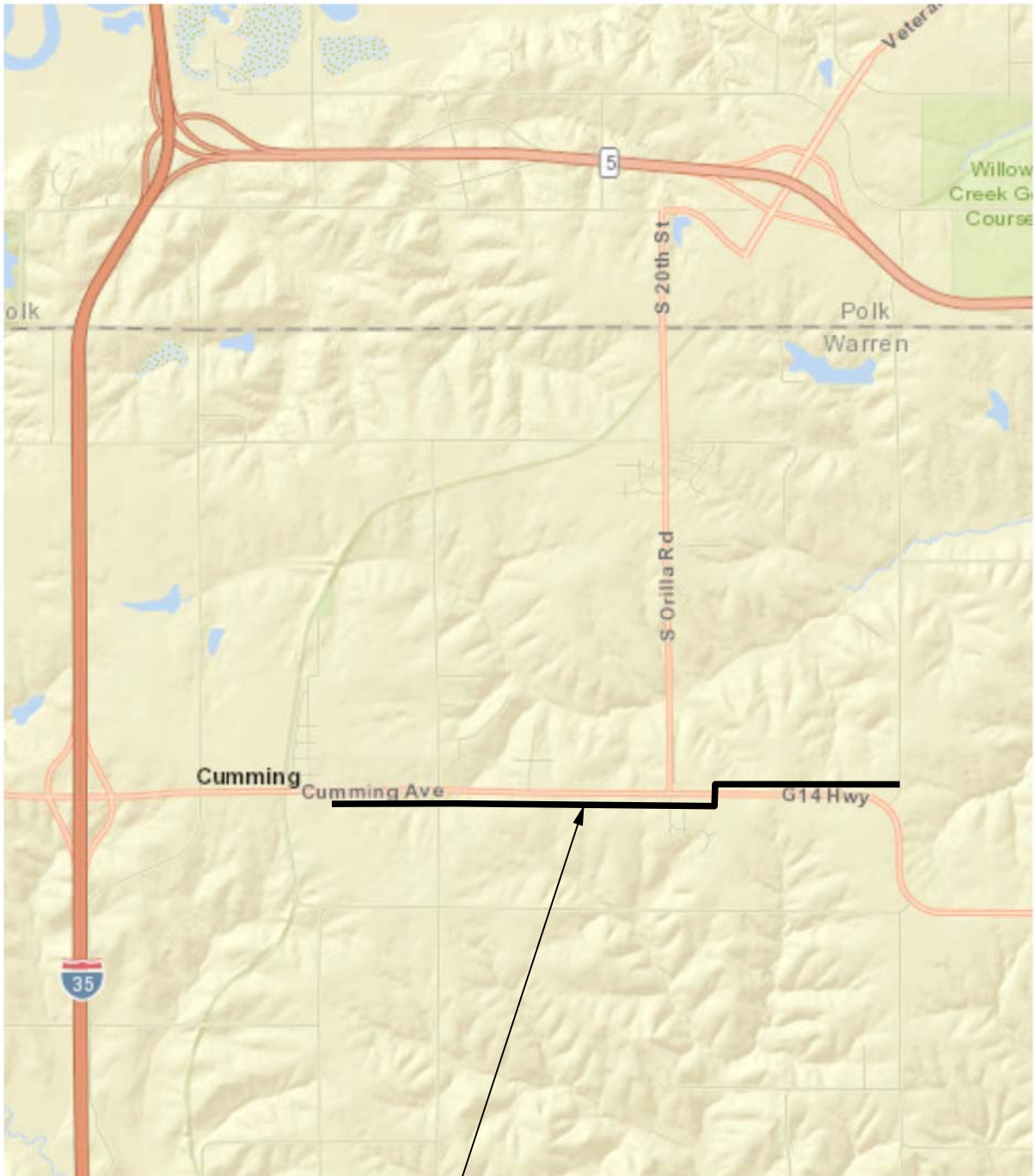
Accept Highway G14 Feeder Main, completed by On Track Construction, LLC, in the amount of \$1,270,023.70.

BOARD REQUIRED ACTION:

Motion to accept Highway G14 Feeder Main, completed by On Track Construction, LLC, in the amount of \$1,270,023.70.

 Katie G. Vandal Staff Engineer 10/19/21 (date)	 Michael J. McCurnin, P.E. Director of Engineering Services 10/21/2021 (date)	 Ted Corrigan, P.E. CEO and General Manager 10/20/21 (date)
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Attachment: Site Map



PROJECT
LOCATION



NOT TO SCALE

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

HIGHWAY G14 FEEDER MAIN



DES MOINES WATER WORKS
Board of Water Works Trustees

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

AGENDA ITEM FORM

SUBJECT: Award Joint Eastside Booster Station Hypochlorite Feed System

SUMMARY:

- In September 2021, the Board of Water Works Trustees authorized staff to solicit bids for the Joint Eastside Booster Station Hypochlorite Feed System project. The Public Hearing was established as the date of the October 2021 Board meeting.
- To address the occasional low chlorine residual events that occur in the system, the scope of the project calls for the installation of a new sodium hypochlorite bulk storage tank, chemical feed system, quill injection system, relocation of instrumentation and other equipment from the top floor to the basement area of the facility, installation of additional electrical unit heaters, and installation of a new shower and eye wash station.
- Plans, specifications, and contract documents were taken out by several prospective bidders. Three (3) bids were submitted on October 21, 2021.

BIDDER	BID SUM
C.L. Carroll Co., Inc.	\$202,000
Woodruff Construction, Inc.	\$217,300
Synergy Contracting, L.L.C.	\$278,730

- The engineer's estimate for this project is \$200,000.
- C.L. Carroll Co., Inc., has successfully completed construction contracts for DMWW in the past.

FISCAL IMPACT:



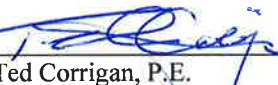
Funds for this project will come from the 2021 Facility Management budget.

RECOMMENDED ACTION:

Staff recommends the Board award the Joint Eastside Booster Station Hypochlorite Feed System Contract to C.L. Carroll Co., Inc., in the amount of \$202,000, and authorize the Chairperson and CEO and General Manager to execute the contract.

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 Joint Eastside Booster Station Hypochlorite Feed System Contract to C.L. Carroll Co., Inc., in the amount of \$202,000, and authorize the Chairperson and CEO and General Manager to execute the contract.

 Wally J. Burgin Engineering Supervisor	 Michael J. McCurnin, P.E. Director of Engineering Services	 Ted Corrigan, P.E. CEO and General Manager
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Attachments: none

AGENDA ITEM FORM

SUBJECT: Request Authorization to Solicit Bids for L. P. Moon Pumping Station – Pump No. 8 and Establish the Date of the Public Hearing as the Date of the November 2021 Board Meeting

SUMMARY:

- In January 1996, the L. P. Moon Pumping Station and Ground Storage Reservoir were placed in service. This facility was constructed by Des Moines Water Works (DMWW) to serve the increasing water needs for the cities of Clive, Urbandale, West Des Moines, and Waukee and the Xenia Rural Water District (the "Participants").
- Prior to construction of the facility, all the Participants executed agreements with DMWW to purchase pumping capacity from the pumping station and storage capacity from the storage reservoir for the benefit of the citizens in their respective communities.
- The L. P. Moon Pumping Station consists of a total of six pumps. Each is capable of pumping water from the storage reservoir at a nominal rate of 2,700 gallons per minute. Three of the pumps are dedicated to delivering water to the distribution systems of Clive, West Des Moines, and Waukee. The other three pumps are dedicated to delivering water to the distribution systems of Urbandale and the Xenia Rural Water District.
- The original design of the L. P. Moon Pumping Station was configured to provide for adding a future fourth pump to the Clive, West Des Moines, and Waukee system and for adding a future fourth pump to the Urbandale and the Xenia Rural Water Association system.
- Water demand for the Clive, West Des Moines and Waukee system has increased to the point that demand may not be met if one of the existing three pumps that provide water to that system unexpectedly failed or required repairs.
- Staff believes it would be prudent to install a fourth pump, in the Pump No. 8 position, to serve as a back-up pump for the Clive, West Des Moines, and Waukee system.
- Preparation of plans, specifications, and contract documents for the L. P. Moon Pumping Station – Pump No. 8 Contract is nearing completion. This contract will install Des Moines Water Works provided equipment including the new pump and motor, a variable frequency drive (VFD) unit for the motor, and a new pump control valve.
- The engineer's estimate for the L. P. Moon Pumping Station – Pump No. 8 Contract is \$170,000. This estimate does not include the costs for the Des Moines Water Works provided equipment.
- A memorandum of understanding has been executed between DMWW and the staffs from the cities of Clive, West Des Moines, and Waukee to share in the cost of this project. DMWW will be reimbursed for all design and construction costs.
- Staff recommends the Board authorize staff to solicit bids for the L. P. Moon Pumping Station – Pump No. 8 Contract and establish the date of Public Hearing as the date of the November 2021 Board meeting.

FISCAL IMPACT:




No fiscal impact. A memorandum of understanding has been executed between DMWW and the staffs from the cities of Clive, West Des Moines, and Waukee to share in the cost of this project.

RECOMMENDED ACTION:

Authorize staff to solicit bids for the L. P. Moon Pumping Station – Pump No. 8 Contract and establish the date of Public Hearing as the date of the November 2021 Board meeting.

BOARD REQUIRED ACTION:

Motion to authorize staff to solicit bids for the L. P. Moon Pumping Station – Pump No. 8 Contract and establish the date of Public Hearing as the date of the November 2021 Board meeting, and direct staff to publish notice as provided by law.

 Vern Rash, P.E., L.S. Project Manager	 Michael J. McCurnin, P.E. Engineering Services Manager	 Ted Corrigan, P.E. CEO and General Manager
10/20/21 (date)	10/21/21 (date)	10/20/21 (date)

Attachments: None



DES MOINES WATER WORKS
Board of Water Works Trustees

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

AGENDA ITEM FORM

SUBJECT: Polk County Water and Land Legacy Bond

SUMMARY:

At the September 28, 2021, Board meeting representatives from Polk County Water and Land Legacy made a presentation and requested that the Board endorse and financially support their upcoming bond referendum. The Iowa Code prohibits the Board from expending public money to expressly advocate for the passage or defeat of a ballot measure. However, the Board may pass a resolution in support of the ballot measure. To that end, and based on the Board's comments generally expressing support for the measure, the following resolution is offered for the Board's consideration:

WHEREAS, the Board of Water Works Trustees of the City of Des Moines, Iowa, considers conservation, preservation and protection of the water resources of the State of Iowa, including Polk County, to be vital to its mission of delivering safe, affordable and abundant water to customers; and

WHEREAS, the Board believes the proposed Polk County Water and Land Legacy Bond, which is to be submitted to the voters of Polk County on November 2, 2021, will advance the goals of conservation, preservation and protection of the water resources of Polk County

BE IT RESOLVED, that the Board of Water Works Trustees of the City of Des Moines, Iowa does hereby endorse the concept of, and proclaim its support for the concept of, the proposed Polk County Water and Land Legacy Bond.

FISCAL IMPACT:

There is no fiscal impact related to Water Works' support of the Polk County Water and Land Legacy Bond. No money is being pledged or expended as part of this Board action.

RECOMMENDED ACTION:

Pass the above resolution, or similar resolution, in support of the Polk County Water and Land Legacy Bond.

BOARD REQUIRED ACTION:

Motion to pass the above resolution in support of the Polk County Water and Land Legacy Bond.

<hr style="width: 100%;"/> (date)	<hr style="width: 100%;"/> (date)	 Ted Corrigan CEO and General Manager (date)
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Attachments: none

AGENDA ITEM FORM

SUBJECT: Legal Services

SUMMARY:

Proposals to provide Des Moines Water Works legal services were requested from legal firms across the metro area. Proposals were received from five firms. The Board's Finance and Audit Committee, in addition to the CEO and CFO, served as the review committee for the legal services proposals. A committee of the Board, consisting of the Chairperson and the Vice-Chairperson, met with the CEO and General Manager to review the proposals and make recommendation to the Board.

The committee recommends that the Board continue with the firm of Dickinson, Mackaman, Tyler & Hagen, P.C. and designate John Lande as legal counsel to the Board of Water Works Trustees of the City of Des Moines, Iowa, given the following considerations:

- Excellent quality of legal counsel currently being provided
- Ease of accessibility to utility's primary contact
- Continuity in and availability to the numerous years of utility records maintained by current counsel
- Absence of any conflicts of interest

The committee also recommends that a process be implemented for annual review of legal services including feedback from the Board and that legal services proposals be sought at regular intervals not to exceed five years.

FISCAL IMPACT:

Fees for legal services are budgeted within the various departmental work plans for those departments that typically require services of legal counsel.

RECOMMENDED ACTION:

Designate John Lande of the firm of Dickinson, Mackaman, Tyler & Hagen, P.C., as legal counsel to the Board of Water Works Trustees of the City of Des Moines, Iowa.

BOARD REQUIRED ACTION:

Motion designating John Lande of the firm of Dickinson, Mackaman, Tyler & Hagen, P.C., as legal counsel to the Board of Water Works Trustees of the City of Des Moines, Iowa effective January 1, 2022.

_____ / _____ (date)	_____ / _____ (date)	 Ted Corrigan CEO and General Manager
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Attachments: none



DES MOINES WATER WORKS
Board of Water Works Trustees

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

AGENDA ITEM FORM

SUBJECT: Regionalization Discussion

SUMMARY:

Staff and Board will provide updates on recent regional governance meetings and discussion for consideration by the Board.

FISCAL IMPACT:


As determined by discussion.

RECOMMENDED ACTION:

Any Board action deemed appropriate in view of regionalization discussion.

BOARD REQUIRED ACTION:

Any Board action deemed appropriate in view of regionalization discussion.

<hr/> (date)	<hr/> (date)	 Ted Corrigan, P.E. CEO and General Manager
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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. Drake University Research Update
- C. Staff Updates
 - External Affairs
- D. CEO and General Manager's Comments
- E. Contract Status and Professional Services Agreements

FISCAL IMPACT:

No impact to the budget.

RECOMMENDED ACTION:

For review and discussion.

BOARD REQUIRED ACTION:

Review and discussion.

<div style="text-align: right;">/</div> <div style="text-align: center;">(date)</div>	<div style="text-align: right;">/</div> <div style="text-align: center;">(date)</div>	<div style="text-align: right;"> <div style="display: flex; justify-content: space-between;"> Ted Corrigan, P.E. (date) </div> </div> <div style="text-align: center;">CEO and General Manager</div>
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Attachments: Des Moines Water Works Park Foundation Executive Summary, Board Minutes, September 2021 Financials, and Events Calendar;
Contract Status and Professional Services Agreements Spreadsheets



19 October 2021

Updates from the Des Moines Water Works Park Foundation

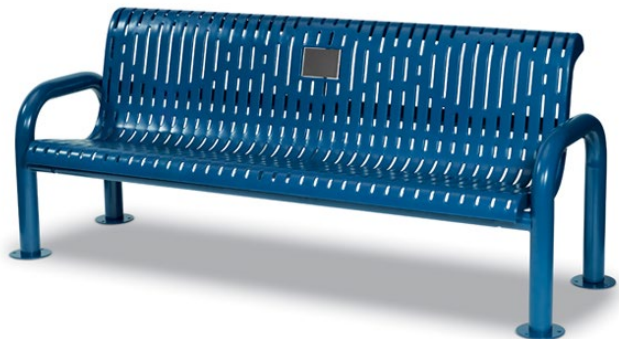
The Campaign/Development:

The finishing campaign continues to move forward slowly. Some progress has been made with the city and granting organizations surrounding COVID dollars and other alternative funding sources.

Park Construction

More rings have been added to the River Constellation Sculpture and benches have been ordered, but due to global supply chain will not be available until February.

Weatherization options are still being pursued for the amphitheater but no cost effective solution has yet been identified.



Programming

The final three concerts took place at the end of September and early October (Los Amigos, Dead South and Incubus) brought by three different organizations (Des Moines Performing Arts, SA Presents and Mammoth). Negative test or vaccination proof was required for the two ticketed concerts as has seemed to become the industry standard. We have also hosted a couple small private events and both the IMT Des Moines Marathon and the Above + Beyond Cancer Elevate Festival in the past two weeks. A private memorial on the 23rd is our last scheduled event at the amphitheater for the season.



Los Amigos and the Okee Dokee Boys

The DMWWPF Board and Programming Committee have started to review some of the preliminary work and partner and programming feedback conducted by RDG regarding programming surrounding water quality and our pillars of education, conservation and recreation. Special attention is being paid to make sure it complements and integrates with DMWW education and plans for the Stowe Memorial project.



Incubus



Loading out with two semis



A+B Cancer Elevate Festival



**IMT Des Moines Marathon and the “spirited”
DMWWPF Water Station**



Ring Install

September financials and October Meeting Minutes attached.

DES MOINES WATER WORKS PARK FOUNDATION

Board of Directors Meeting

Friday, October 8, 2021 – 12:00 – 1:30

Draft Minutes



BOD Members in Attendance: Andrew Manatt, Matt Van Loon, Bethany Wilcoxon, Chad Rasmussen, Dara Madigan, Jason Stone, Raul Cunarro, Ardis Kelley, Crystal Franke, Amy Jennings

Guests/Staff: Molly Hanson – RDG, Cassandra Halls & Sam Carrell – DMWWPF, Bob Jolly - DMWW

- I. **Call to Order/President's Comments & Welcome/Affirm Agenda** – Amy Jennings
- II. **Approve minutes** – Amy Jennings – Jennings asked for review and approval of September meeting minutes.
Motion: Chad Rasmussen **Second:** Matt Van Loon **APPROVED**
- III. **Financial Report** – Ardis Kelley – Kelley reviewed September financial Statements.
 - **Cash** – net change of cash inflow from donations of \$50k
 - **Income Statement** – Revenue and expenses less than budgeted but netted out evenly in operations budget. Motion to accept September Financials:
Motion: Dara Madigan **Second:** Drew Manatt **ACCEPTED**
 - Projected Operations Cash Flow Report:
Carrell reviewed the cash flow report for the final quarter of 2021 showing cash balances at both Community Foundation and Bankers Trust and anticipated revenue and expenses. It shows positive balance at end of year, plus existing balances. Majority of the revenue and expenses will be from concerts and events that have already taken place but will be settled in October.
- IV. **BOD Topics for Discussion and Updates**
 - **Stowe Memorial Update** – Amy Jennings
 - Partnering on how to fundraise for this and for other projects in the park
 - Discussing on October 21st to discuss potential donors for the project
 - **Findings of RDG Work** – Molly Hanson
 - Held meetings with various groups of individuals for vision for the park
 - RDG has report out with a workshop synthesis of:
 - Themes
 - Give the People What they Want
 - BIG Ideas
 - What do we want to do with it?

- A lot of different people and places doing things – we need to engage and join forces with the organizations doing some of the work already
 - How to get Des Moines students into the park – don't have to hire an educator to do this, they are all around at different organizations. Need a way to just get people physically there.
 - Technology – how to best reach people and get them to interact with the park
- **Visioning Work Review** – Cassandra Halls
 - Reviewed work from our last meeting
 - Asking for volunteers to be involved to fully develop
 - Bethany, Chad, Crystal, Amy will meet to discuss
- **Programming/IMT Marathon** – Bethany Wilcoxon/Sam Carrell
 - Earth Day 2022 – Egg Hunt will be back in two areas. Easier to manage the people. Saturday, April 23rd.
 - Sampler program using RDG work – try events out and see what the community reaction is to those events
 - Des Moines Public Library & Science Center with mobile labs to boost our relationships
 - Iowa Innovation Award – award to recognize people who are strong advocates of conservation. Determine place to put their name. Still in its inception.
 - Polk County Conservation
 - IMT Marathon – Sign up link sent via email. All volunteers get a long sleeve t-shirt. We have a water station that goes both ways. Three hour shifts (7:30-10:30 and 10:30-1:30).
- **Amphitheater Improvements** – Chad Rasmussen
 - No update at this point. Still waiting because what we are requesting is unique so its hard to find fabricator that can do the work. We believe we have a fabricator but still working through it.
- **Development** – Sam Carrell
 - City of Des Moines – COVID relief fund request for funds. Carrell has been working with the city to identify covid relief funds that could be used to support final payment on the Ruan Connector. Working to finalize support and final amount with City Manager and Council.
 - We recently received another Hurd Visionary Pledge for \$10k
 - Submitting grants as well – continuing to review. Partnering with Dara, have six more to write.

V. **Executive Director Report** – Sam Carrell

- Season Recap – Sound/Events/COVID, etc.
 - Last concert on Tuesday, October 5th – moved from indoor venue to the park
 - COVID restrictions to get into the concerts.
 - Seven concerts. 15 cultural. 25 community events.
- 2022 Events and Sponsorships

- Contract is up with First Fleet & People's Productions – will meet with them for next year discussions.
- Signage/Seating/Rings
 - Create “suites” type atmosphere at the concerts that we can sell as sponsorship.
 - Holiday push to sell benches
 - Share things on social media to get people out at the park or to sell some of the things for sponsorship

VI. Announcements

- Amy Jennings recognized for Ovation in Cedar Rapids

VII. Adjourn

- Meeting was adjourned at 1:27 pm

Upcoming Events:

IMT Des Moines Marathon & DMWWPF More Fun Wet than Dry Water Station –
 Sunday, October 17th – Amphitheater Parking Lot
 November BOD Meeting – Friday, November 12th - zoom

Des Moines Water Works Park Foundation

<i>Comparative Statements of Financial Position as of</i>	<u>September 30, 2021</u>	<u>August 31, 2021</u>	<u>December 31, 2020</u>
ASSETS			
Cash and Cash Equivalents	\$ 167,007.17	\$ 112,154.25	\$ 166,358.46
Investments - Endow Iowa	59,116.37	58,260.14	53,645.58
Pledges Receivable	938,327.40	987,842.85	1,172,842.85
Prepaid Expenses	1,478.66	1,716.08	1,047.90
Total Assets	<u>\$ 1,165,929.60</u>	<u>\$ 1,159,973.32</u>	<u>\$ 1,393,894.79</u>
LIABILITIES			
Accounts Payable	\$ 7,132.09	\$ -	\$ -
Accrued Expenses	1,325,346.61	1,325,346.61	600,000.00
Loan Payable - Line of Credit	740,771.80	740,771.80	1,003,813.00
Total Liabilities	<u>\$ 2,073,250.50</u>	<u>\$ 2,066,118.41</u>	<u>\$ 1,603,813.00</u>
NET ASSETS			
Net Assets without donor restrictions:			
Available to Spend	\$ 1,002,292.60	\$ 1,002,245.29	\$ 1,022,662.07
Net Assets with donor restrictions:			
Endow Iowa	59,116.37	58,260.14	53,645.58
Karras Kaul Sculpture	10,419.71	10,419.71	-
Park Improvement/Fleur Trail	(1,979,149.58)	(1,977,070.23)	(1,286,225.86)
Total Net Assets	<u>\$ (907,320.90)</u>	<u>\$ (906,145.09)</u>	<u>\$ (209,918.21)</u>
Total Liabilities and Net Assets	<u>\$ 1,165,929.60</u>	<u>\$ 1,159,973.32</u>	<u>\$ 1,393,894.79</u>

Des Moines Water Works Park Foundation
Consolidated Statement of Financial Activity and Change in Net Assets
For the nine months ending September 30, 2021

	September-21			FISCAL YEAR TO DATE			Annual Budget
	Actual	Budget	Budget Variances	Actual	Annual Budget to Date	Budget Variances to Date	2021
REVENUES AND OTHER SUPPORT							
Capital Support							
Campaign Income	\$ 10,000.03	\$ 194,731.25	\$ (184,731.22)	\$ 72,500.19	\$ 1,752,581.25	\$ (1,680,081.06)	\$ 2,336,775.00
Non Capital Support/Giving							
Corporate & Foundation Giving	-	-	-	23,426.62	-	23,426.62	-
Individual Gifts	3,662.45	-	3,662.45	52,448.05	-	52,448.05	-
Park Sponsorships	-	2,500.00	(2,500.00)	-	22,500.00	(22,500.00)	30,000.00
Special Event Income	5,638.00	1,041.67	4,596.33	55,365.00	9,375.00	45,990.00	12,500.00
State Grant Income	-	2,083.33	-	17,700.00	18,750.00	(1,050.00)	25,000.00
User/Vendor Revenue	-	31,230.83	(31,230.83)	1,750.00	281,077.50	(279,327.50)	374,770.00
Total Non Capital Support/Giving	\$ 9,300.45	\$ 36,855.83	\$ (27,555.38)	\$ 150,689.67	\$ 331,702.50	\$ (181,012.83)	\$ 442,270.00
Investment Income, net of fees	847.60	-	847.60	5,704.60	-	5,704.60	-
Total Revenues and Other Support	\$ 20,148.08	\$ 231,587.08	\$ (211,439.00)	\$ 228,894.46	\$ 2,084,283.75	\$ (1,855,389.29)	\$ 2,779,045.00
EXPENSES							
Operating Expenses							
Accounting/Audit	\$ 825.00	\$ 923.58	\$ (98.58)	\$ 7,425.00	\$ 8,312.25	\$ (887.25)	\$ 11,083.00
Annual Meeting	-	125.00	(125.00)	-	1,125.00	(1,125.00)	1,500.00
Bank Charges	0.30	-	0.30	693.91	-	693.91	-
Board of Directors	-	87.50	(87.50)	-	787.50	(787.50)	1,050.00
Consulting Services	-	3,800.00	(3,800.00)	46,888.44	34,200.00	12,688.44	45,600.00
Development	-	16.67	(16.67)	-	150.00	(150.00)	200.00
General Office	1,824.28	458.33	1,365.95	6,826.91	4,125.00	2,701.91	5,500.00
Legal Expense	-	2,500.00	(2,500.00)	-	22,500.00	(22,500.00)	30,000.00
Marketing	142.74	2,513.33	(2,370.59)	1,892.72	22,620.00	(20,727.28)	30,160.00
Meetings	-	79.17	(79.17)	-	712.50	(712.50)	950.00
Miscellaneous	-	41.67	(41.67)	-	375.00	-	500.00
Park Maintenance	-	7,500.00	(7,500.00)	-	67,500.00	(67,500.00)	90,000.00
Printing	-	-	-	515.73	-	515.73	-
Special Event Expense	1,100.00	791.67	308.33	1,100.00	7,125.00	(6,025.00)	9,500.00
Staffing & Administrative Costs	4,770.00	8,600.00	(3,830.00)	42,930.00	77,400.00	(34,470.00)	103,200.00
Travel	-	250.00	(250.00)	-	2,250.00	(2,250.00)	3,000.00
Total Operating Expenses	\$ 8,662.32	\$ 27,686.92	\$ (19,024.60)	\$ 108,272.71	\$ 249,182.25	\$ (140,534.54)	\$ 332,243.00
User Committee Expenses							
Contract Labor	-	-	-	11,800.00	-	11,800.00	-
Printing Expense	-	-	-	207.99	-	207.99	-
Office Supplies	-	-	-	12.39	-	12.39	-
Program Expense	-	165.42	(165.42)	-	1,488.75	(1,488.75)	1,985.00
Rent Expense	-	-	-	884.05	-	884.05	-
Special Event Expenses	9,610.73	10,416.67	(805.94)	43,252.85	93,750.00	(50,497.15)	125,000.00
Supplies Expense	-	-	-	68.24	-	68.24	-
Utilities	971.46	830.00	141.46	6,375.01	7,470.00	(1,094.99)	9,960.00
Total User Committee Expenses	\$ 10,582.19	\$ 11,412.08	\$ (829.89)	\$ 62,600.53	\$ 102,708.75	\$ (40,108.22)	\$ 136,945.00
Capital Expenses							
Campaign Support	73.12	-	73.12	9,267.50	-	9,267.50	-
Fleur Underpass Trail Expense	-	91,666.67	(91,666.67)	725,346.61	825,000.00	(99,653.39)	1,100,000.00
Interest Expense	2,006.26	3,296.42	(1,290.16)	20,809.80	29,667.75	(8,857.95)	39,557.00
Park Improvements	-	7,500.00	(7,500.00)	-	67,500.00	(67,500.00)	90,000.00
Total Capital Expenses	\$ 2,079.38	\$ 102,463.08	\$ (100,383.70)	\$ 755,423.91	\$ 922,167.75	\$ (166,743.84)	\$ 1,229,557.00
Total Expenses	\$ 21,323.89	\$ 141,562.08	\$ (120,238.19)	\$ 926,297.15	\$ 1,274,058.75	\$ (347,386.60)	\$ 1,698,745.00
Change in Net Assets	\$ (1,175.81)	\$ 90,025.00	\$ (91,200.81)	\$ (697,402.69)	\$ 810,225.00	\$ (1,508,002.69)	\$ 1,080,300.00
Net Assets, Beginning of Year				(209,918.21)			
Net Assets, End of Year				<u>\$ (907,320.90)</u>			

2021	Date	Event	Description
September	4	Private shelter rental	postponed
	4-5	DSM Symphony	
	11	Wicked Wine Run	
	11	Private wedding Maffitt	
	12	Blazing 5K	
	14	Storytellers project	
	15	Community foundation event	
	16	Trampled by the Turtles	
	17	Drop Kick Murphy	
	15-20	Polk Co Democrats	cancelled
	24	Private vow renewal fountain	
	24-26	Ikes	
	24	Somos Amigos concert	
	25	Praise and worship revival	
	25	Film Documentary	
	26	Dead South	
	30	DMWW employee appreciation lucheon	
October	1	Private shelter rental	cancelled
	2-3	Hydrocephalus walk	
	2	Roosevelt homecoming dance	
	5	Incubus concert	
	8	Wedding - fountain	
	9-10	Iowa Coursing Hounds	
	10	Elevate festival	
	12	Food truck event	
	13	Private shelter rental	
	15-17	DSM Marathon	cancelled
	16	North High homecoming dance	
	30-31	Coursing Hounds of Iowa	
November	27	Turkey Trot race	
		KEY	
		Concert	
		Sport/Fitness Event	
		DMWWPF Event	
		Wedding/shelter	
		Misc. (car shows, political events, festivals)	

COMPETITIVE BIDS CONTRACT STATUS FOR OCTOBER 2021

Presdimentation Basins - Valve Replacement	Pause by Owner to discuss bypass options. Contractor still working other contract 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 3/16/2020 \$1,427,530.00 \$70,962.00 \$1,498,492.00 \$642,378.10 no later than Mar-22
2020 Well Rehabilitation - McMullen Water Treatment Plant	Construction in progress. Contractor has returned to finish work at Well #5.	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 \$876,866.50 Nov-21
NW 26th Street Booster Station	Construction in progress - supply chain delays	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 \$16,184.97 \$1,549,184.97 \$1,133,356.06 Dec-21
Highway G14 Feeder Main	Substantially complete	Contractor Notice to Proceed Original Contract Sum Net Change by Change Orders Contract Sum to Date Total Completed to Date Anticipated Completion Date	On Track Construction, LLC 10/7/2020 \$1,264,264.00 \$0.00 \$1,264,264.00 \$1,270,023.70 Oct-21
Gallery Valve Chamber Structures Reconstruction	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	Synergy Contracting, LLC 4/19/2021 \$432,770.00 \$14,604.70 \$447,374.70 \$383,053.50 Nov-21
2021 Tank Painting - Pleasant Hill Tower and Wilchinski Standpipe	Construction in progress on Wilchinski Standpipe. Pleasant Hill Tower is complete.	Contractor Notice to Proceed Original Contract Sum Net Change by Change Orders Contract Sum to Date Total Completed to Date Anticipated Completion Date	J.R. Stelzer Co. 4/1/2021 \$1,145,524.00 \$0.00 \$1,145,524.00 \$739,499.00 Oct-21

Item IV-E

2021 Des Moines Water Main Replacement Contract 1 - E. Pleasant View Drive & E. 17th Street	Construction in progress	Contractor	Synergy Contracting, LLC
		Notice to Proceed	5/11/2021
		Original Contract Sum	\$1,806,597.00
		Net Change by Change Orders	\$77,824.80
		Contract Sum to Date	\$1,884,421.80
		Total Completed to Date	\$1,222,712.22
		Anticipated Completion Date	Nov-21
2021 Des Moines Water Main Replacement Contract 2 - Feeder Main at SE 15th Street and Martin Luther King Jr. Parkway	Construction in progress	Contractor	Raccoon Valley Contractors
		Notice to Proceed	5/14/2021
		Original Contract Sum	\$1,619,134.00
		Net Change by Change Orders	\$0.00
		Contract Sum to Date	\$1,619,134.00
		Total Completed to Date	\$1,311,313.20
		Anticipated Completion Date	Dec-21
Nitrate Removal Facility Crawlspace Renovation	Construction in progress	Contractor	Henkel Construction Company
		Notice to Proceed	6/1/2021
		Original Contract Sum	\$1,312,000.00
		Net Change by Change Orders	\$0.00
		Contract Sum to Date	\$1,312,000.00
		Total Completed to Date	\$230,250.00
		Anticipated Completion Date	Jan-22
S.E. Polk N.E. Morgan Drive Meter Vault	Notice to proceed delayed due to long product lead times.	Contractor	Synergy Contracting, LLC
		Notice to Proceed	pending
		Original Contract Sum	\$186,000.00
		Net Change by Change Orders	\$0.00
		Contract Sum to Date	\$186,000.00
		Total Completed to Date	\$0.00
		Anticipated Completion Date	Dec-21
2021 Well Rehabilitation	Notice to proceed to be issued no later than 1/31/2022.	Contractor	Layne Christensen Company, Inc.
		Notice to Proceed	pending
		Original Contract Sum	\$1,344,820.00
		Net Change by Change Orders	\$0.00
		Contract Sum to Date	\$1,344,820.00
		Total Completed to Date	\$0.00
		Anticipated Completion Date	May-22
LP Moon Pumping Station Sodium Hypochlorite Feed Modifications	Construction in progress	Contractor	The Waldinger Corporation
		Notice to Proceed	10/15/2021
		Original Contract Sum	\$69,590.00
		Net Change by Change Orders	\$0.00
		Contract Sum to Date	\$69,590.00
		Total Completed to Date	\$0.00
		Anticipated Completion Date	Feb-22
2021 Des Moines Water Main Replacement Contract 4 - Indianola Ave. Pre-construction meeting was held on 10/21/2021. Staff is reviewing contract documents.		Contractor	J & K Contracting, LLC
		Notice to Proceed	pending
		Original Contract Sum	\$678,678.00
		Net Change by Change Orders	\$0.00
		Contract Sum to Date	\$678,678.00
		Total Completed to Date	\$0.00
		Anticipated Completion Date	Mar-22

Des Moines River Intake Roof Structure Modifications

Staff is reviewing contract documents.

Contractor	Henkel Construction Company
Notice to Proceed	pending
Original Contract Sum	\$311,000.00
Net Change by Change Orders	\$0.00
Contract Sum to Date	\$311,000.00
Total Completed to Date	\$0.00
Anticipated Completion Date	Mar-22

COMPETITIVE QUOTATIONS CONTRACT STATUS FOR OCTOBER 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]