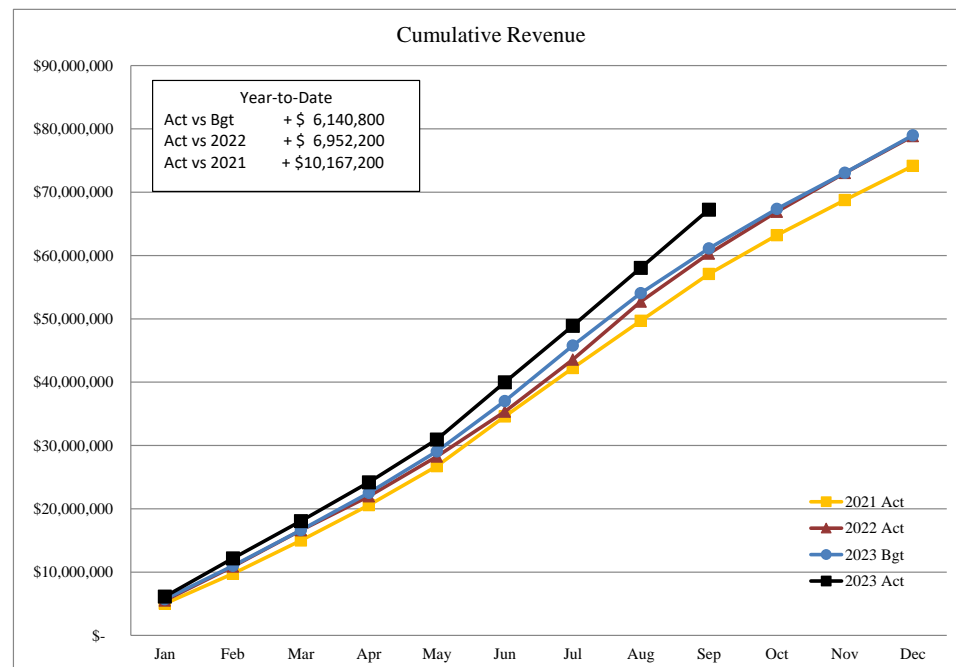
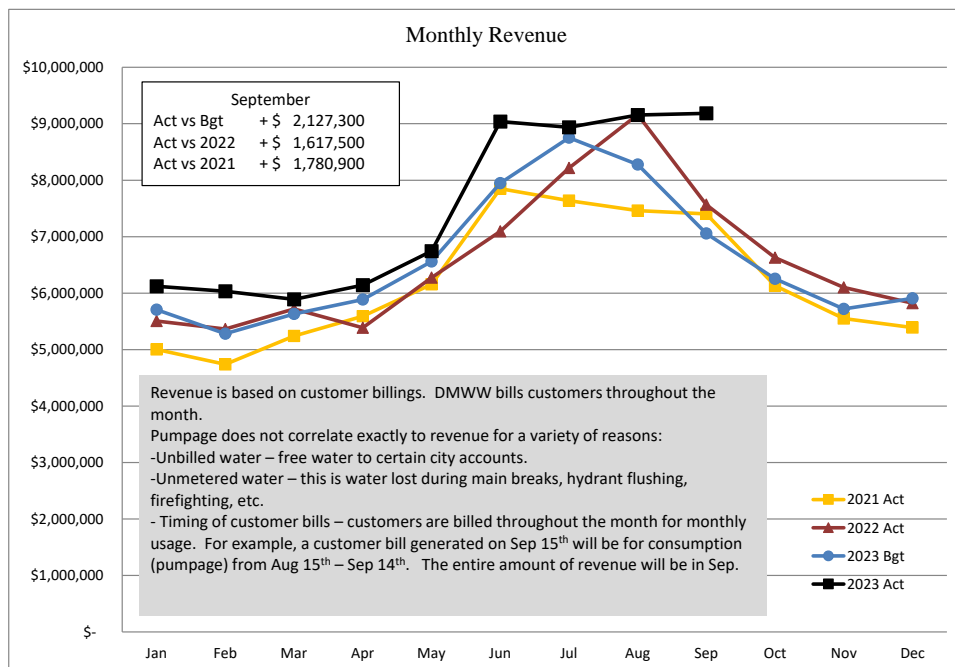
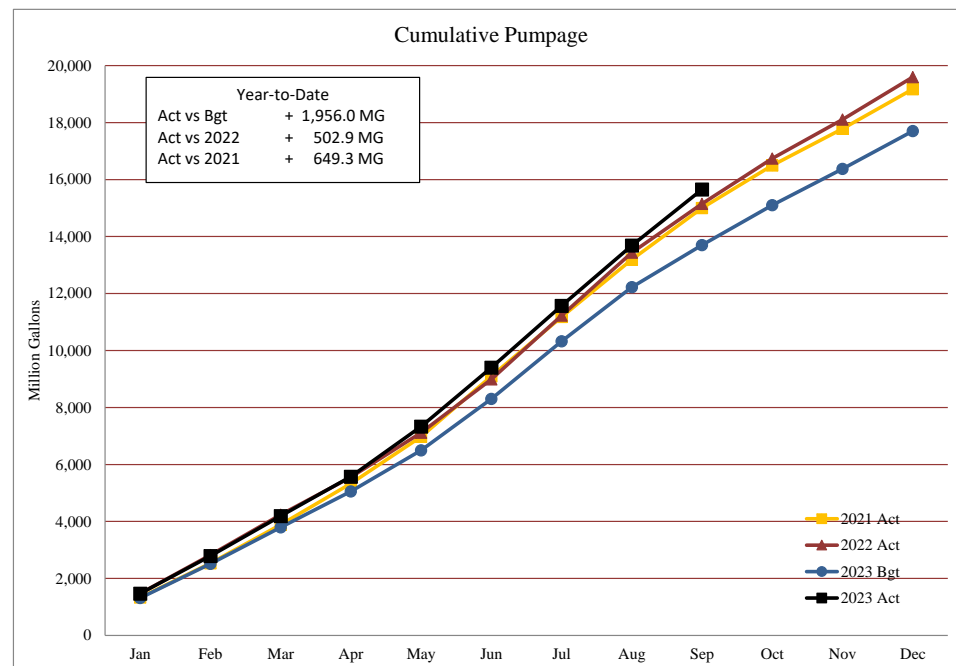
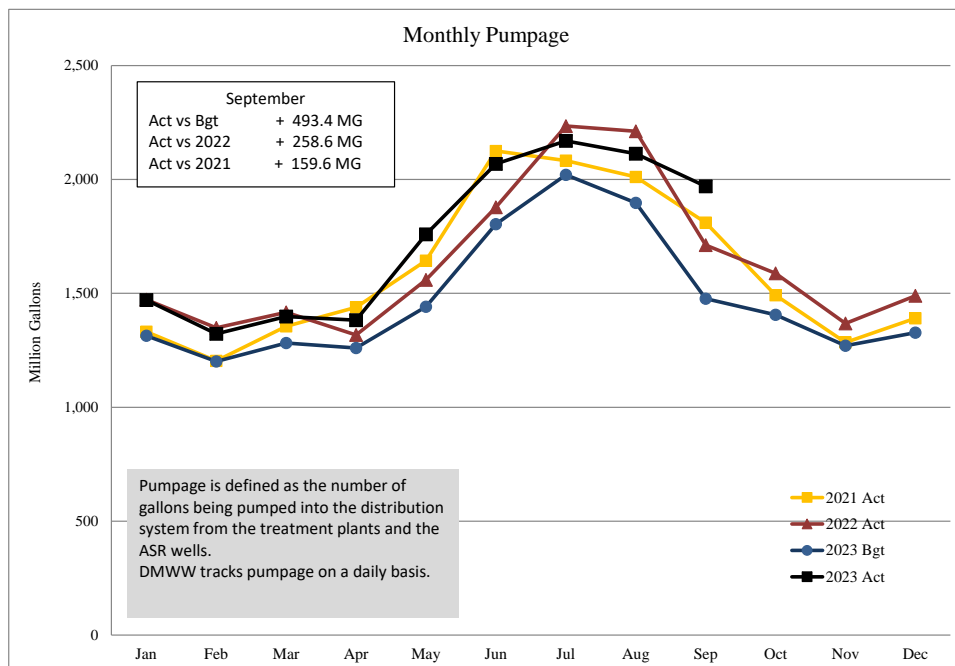


# Pumpage & Revenue Graphs September, 2023



**MEETING**  
**Board of Water Works Trustees**  
Des Moines Water Works  
October 31, 2023  
2201 George Flagg Parkway  
3:30 p.m.

Join Zoom Meeting  
<https://us02web.zoom.us/j/84990338767?pwd=ckhIcWZua3liU1pxTmIzc2VBSjdrdz09>

Meeting ID: 849 9033 8767    Passcode: 541881

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**Decision Agenda**

***I.     Consent Agenda:***

- A.     Minutes, September 26, 2023, Board of Water Works Trustees Meeting  
Minutes, October 3, 2023, Finance and Audit Committee Meeting  
Minutes, October 10, 2023, Planning Committee Meeting
- B.     Financial Statements
- C.     List of Payments for September 2023
- D.     Summary of CEO-Approved Expenditures in Excess of \$40,000
- E.     Next Meeting Date – November 28, 2023

***II.    Public Comment Period:***

- Regional Governance

***III.   Action Items:***

- A.     2024 Corporate Insurance
- B.     Receive and File Cost of Service Report
- C.     Approval of Proposed 2024 Water Rates
- D.     Proposed 2024 Budget – Establish Public Hearing as the Date of the November 2023 Board Meeting
- E.     Resolution of Intent to Participate and Authorizing the Inclusion of the Des Moines Water Works in Final Draft Agreement Establishing Central Iowa Water Works

- F. Approval of Settlement of Main Break Lawsuit  
--The board may conduct a closed session pursuant to Iowa Code 21.5(1)(c) to discuss this matter, which is presently in litigation.
- G. Acceptance of Gallery Valve Chamber Structures Reconstruction – Phase 2
- H. Request Authorization to Execute the First Amendment Chapter 28E Agreement with the City of Ankeny for Construction and Funding of the Saylorville Water Treatment Plant North Feeder Main
- I. Request Authorization for CEO and General Manager to Execute Professional Services Agreement with Snyder & Associates, Inc., for Construction Services for the Des Moines Water Works Grounds Maintenance Facility
- J. Request Permission to Establish the Date of Public Hearing for Environmental Review of Aquifer Storage and Recovery (ASR) Well as the Date of the December 2023 Board Meeting
- K. Request Authorization for CEO and General Manager to Execute Amendment No. 2 to the Professional Services Agreement with HDR Engineering, Inc., for Saylorville Water Treatment Plant Capacity Expansion Design and Construction Services
- L. Request Authorization to Solicit Bids for 2023 FWTP Pump Station HVAC Upgrades and Establish the Date of the Public Hearing as the date of the December 2023 Board Meeting
- M. Request Authorization to Solicit Bids for FWTP Filter Media Replacement and Establish the date of the Public Hearing as the date of the December 2023 Board Meeting
- N. Request Authorization to Solicit Bids for WMR Contract 4 and Establish the date of the Public Hearing as the date of the December 2023 Board Meeting
- O. Regional 28E Review - Possible Closed Session  
The Board of Water Works Trustees may hold a closed session pursuant to:
  - Iowa Code Section 388.9(1) to discuss marketing and pricing strategies and proprietary information that may impact its competitive position by public disclosure not required of potential or actual competitors related to ongoing negotiations over creating an integrated regional water authority. Each of these topics should be discussed in closed session to avoid disclosure likely to prejudice or disadvantage the position of the Des Moines Water Works.
  - Iowa Code Section 622.10 to request and receive legal advice from retained legal counsel and to avoid waiver of the attorney-client privilege.
  - Iowa Code Section 22.7(65) to review a tentative and preliminary draft prior to completion of the proposed Central Iowa Water Works 28E agreement; and
  - Iowa Code Section 21.5(1)(a) to discuss or review records which are required or authorized by State or federal law to be kept confidential.

#### ***IV. Information Items:***

- A. Board Committee Reports
  - Finance and Audit Committee
  - Planning Committee

<b>OSHA Recordable Injuries YTD: 6</b>	
Motor Vehicle Injury:	1
Strain/Sprain:	5

- Greater Des Moines Botanical Garden Board
  - Des Moines Water Works Park Foundation Board
- B. CEO and General Manager’s Comments
- Quarterly Strategic Plan Update
- C. Safety Update
- D. Contract Status and Professional Services Agreements
- V. Adjournment***

Schedule of Board Activities – October and November Time: 3:30 p.m.		
<u>Date</u>	<u>Location</u>	<u>Meeting</u>
November 7	Board Room & Virtual	Finance & Audit Committee Meeting
November 14	Board Room & Virtual	Planning Committee Meeting
November 28	Board Room & Virtual	Board of Water Works Trustees
December 5	Board Room & Virtual	Finance & Audit Committee Meeting
December 12	Board Room & Virtual	Planning Committee Meeting
December 19	Board Room & Virtual	Board of Water Works Trustees



**AGENDA ITEM FORM**

**SUBJECT: Consent Agenda**

**SUMMARY:**

- A. Minutes, September 26, 2023, Board of Water Works Trustees Meeting  
**Request:** Approve September 26, 2023, Minutes  
Minutes, October 3, 2023, Finance and Audit Committee Meeting  
**Request:** Approve September 5, 2023, Minutes  
Minutes, October 10, 2023, Planning Committee Meeting  
**Request:** Approve October 10, 2023, Minutes
- B. Financial Statements
- At September 2023, total assets of the Des Moines Water Works were \$497.5 million, liabilities totaled \$45.5 million, deferred outflows totaled \$11.6 million, deferred inflows totaled \$11.1 million and contributions and retained earnings were \$452.4 million.
  - Total operating revenue for the month of September was \$9.6 million. Expenses (operating and non-operating) for the month were approximately \$5.8 million, leaving net earnings of approximately \$3.8 million.
  - Request:** Receive and File for Audit the September 2023 Financial Statements.
- C. List of Payments for September 2023  
**Request:** Approve September 2023 payments
- D. Summary of CEO-approved expenditures in excess of \$40,000  
**Request:** Approve the CEO-approved expenditures in excess of \$40,000
- E. Next Meeting Date – November 28, 2023  
**Request:** Approve November 28, 2023, as the date of the next meeting of the Board of Water Works Trustees.

**FISCAL IMPACT:**

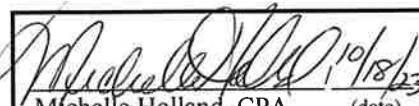
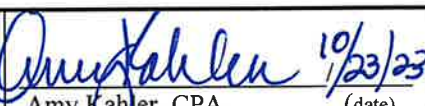
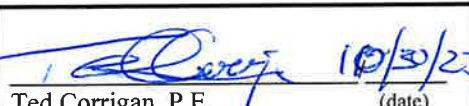
No impact to budget.

**RECOMMENDED ACTION:**

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

**BOARD REQUIRED ACTION:**

Motion to approve Consent Agenda.

 Michelle Holland, CPA Controller	 Amy Kahler, CPA Chief Financial Officer	 Ted Corrigan, P.E. CEO and General Manager
10/18/23 (date)	10/23/23 (date)	10/30/23 (date)

Attachments: September 26, 2023, Board of Water Works Trustees Meeting Minutes; October 3, 2023, Finance and Audit Committee Meeting Minutes; October 10, 2023, Planning Committee Meeting; September 2023 Financial Statements; List of Payments; Summary of CEO-approved expenditures in excess of \$40,000

**MINUTES OF CALLED MEETING OF THE BOARD OF WATER WORKS TRUSTEES  
PURSUANT TO NOTICE  
Tuesday, September 26, 2023**

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

Board Members: Vice Chairperson, Ms. Susan Huppert, presiding; Mr. Alec Davis, Mr. Graham Gillette, and Ms. Diane Munns

Staff members: Scott Bierman, Pat Bruner, Caitlin Caldwell, Nathan Casey, Ted Corrigan, Kyle Danley, Doug Garnett, Amy Kahler, Lori Leo, Mike McCurnin, Laura Sarcone, April Sauls, Melissa Walker, Michelle Watson, and Dylan White

Also in attendance: John Lande (legal counsel)

Vice Chairperson Ms. Susan Huppert called the meeting to order at 3:30 p.m.

Consent Agenda

A motion was made by Mr. Gillette, seconded by Mr. Davis, to approve Consent Items A, B, C, D, and E (Approval of Minutes, August 22, 2023, Board of Water Works Trustees Meeting; Minutes, September 5, 2023, Finance and Audit Committee Meeting; Minutes, September 12, 2023, Special Board Meeting; Receipt and filing of the financial statements for audit purposes; Approval of Payments for August 2023; Approval of Summary of CEO-Approved Expenditures in Excess of \$40,000; and Approval of October 31, 2023, as the next meeting of the Board of Water Works Trustees). Upon vote, the motion was adopted, with each member of the Board listed above as present voting in favor of the motion.

Public Comment Period

Regional Governance - Mr. Corrigan provided an update on regionalization.

Acceptance of 2022 Des Moines Water Main Replacement – Contract 1

At its June 2022 Board meeting, the Board of Water Works Trustees awarded a contract to Synergy Contracting, LLC, in the amount of \$1,486,413.00 for the 2022 Des Moines Water Main Replacement – Contract 1 project.

All work associated with this Contract has been satisfactorily completed. The final price for the 2022 Des Moines Water Main Replacement - Contract 1, after adjustments for quantities and change orders, is \$1,678,951.24.

A motion was made by Ms. Munns and seconded by Mr. Gillette, to accept the 2022 Des Moines Water Main Replacement - Contract 1, completed by Synergy Contracting, LLC, and ratify payment to the final amount of \$1,678,951.24. Upon vote, the motion was adopted, with each member of the Board listed above as present voting in favor of the motion.

MWTP Truck Scale Replacement

At its July 2023 meeting, the Board of Water Works Trustees authorized staff to solicit bids for the MWTP Truck Scale Replacement project. The Public Hearing was established as the date of the September 2023 Board meeting. Plans, specifications, and contract documents were taken out by several prospective bidders. Three bids were submitted on September 14, 2023, staff recommend the base bid contract be awarded to Edge Commercial in the amount of \$823,000.00.

A Public Hearing was opened by Vice Chairperson Ms. Huppert for comments from the public regarding the form of contract, plans and specifications, and estimated cost for the construction of the MWTP Truck Scale Replacement project. Receiving no oral or written comments, the Public Hearing was closed.

A motion was made by Mr. Gillette for adoption of the form of contract, plans and specifications, and estimated cost for the Project. The motion was seconded by Mr. Davis. Upon roll-call vote, the motion was adopted with each member of the Board voting in favor of the motion.

After an analysis of the bids received was presented and considered, a motion was made by Mr. Gillette, seconded by Ms. Munns, to award the MWTP Truck Scale Replacement contract to Edge Commercial, in the amount of \$823,000.00 for the Base Bid, and to authorize the Chairperson and the CEO and General Manager to execute the contract. Upon vote, the motion was adopted, with Mr. Davis, Mr. Gillette, and Ms. Huppert, and Ms. Munns voting in favor of the motion.

#### FDTP Closed Loop Cooling Systems

At its August 2023 meeting, the Board of Water Works Trustees authorized staff to solicit bids for the FDTP Closed Loop Cooling Systems project. The Public Hearing was established as the date of the September 2023 Board meeting. Plans, specifications, and contract documents were taken out by several prospective bidders. Three bids were submitted on September 18, 2023.

The three bids were within 15% of each other, with the top two bids being just 3.5% apart. Staff recommends Alternate 1 be accepted and included in the contract scope for this project and awarded to Waldinger Corporation in the amount of \$1,458,216. Waldinger Corporation has successfully completed numerous projects for Des Moines Water Works in the past.

A Public Hearing was opened by Vice Chairperson Ms. Huppert for comments from the public regarding the form of contract, plans and specifications, and estimated cost for the construction of the FDTP Closed Loop Cooling Systems project. Receiving no oral or written comments, the Public Hearing was closed.

A motion was made by Mr. Gillette for adoption of the form of contract, plans and specifications, and estimated cost for the Project. The motion was seconded by Mr. Davis. Upon roll-call vote, the motion was adopted with each member of the Board voting in favor of the motion.

After an analysis of the bids received was presented and considered, a motion was made by Ms. Munns, seconded by Mr. Gillette, to award the FDTP Closed Loop Cooling Systems contract to

Waldinger, in the amount of \$1,458,216.00 for the Base Bid and Alternate 1, and to authorize the Chairperson and the CEO and General Manager to execute the contract. Upon vote, the motion was adopted, with Mr. Davis, Mr. Gillette, and Ms. Huppert, and Ms. Munns voting in favor of the motion.

Request Authorization to Issue a Purchase Order for Repairs to Crew Van Unit #35

In June of this year one of these crew vans, Unit #35, was in an accident which caused significant damage to the body of the vehicle. The vehicle's engine, transmission, and ancillary mechanical system were all undamaged and the vehicle frame doesn't appear to be bent. Unit #35 is a 2022 Freightliner with a custom van body. Being a 2022 this vehicle has low miles and only 2,450 hours of operation. The estimate to replace Unit #35 with a new vehicle is \$130,000 and a one-year lead time before delivery.

An estimate to repair Unit #35 was received from Majestic Truck Collision & Frame Repair for \$105,000. This estimate includes removing and replacing the body, bumpers, dashboard, and wiring harness. The work should take approximately 6 months to complete. The cost to repair is estimated to be \$25,000 less than the cost to replace. Repairing also would allow staff to place Unit #35 back into service much more quickly than ordering a new vehicle.

A motion was made by Mr. Gillette seconded by Mr. Davis, to authorize staff to issue a Purchase Order to Majestic Truck Collision & Frame Repair, in the amount of \$105,000, for the repairs to Crew Van Unit #35. Upon vote, the motion was adopted, with each member of the Board listed above as present voting in favor of the motion.

Request Authorization to Solicit Bids for MWTP Chemical Feed Improvements and Establish the Date of the Public Hearing as the date of the November 2023 Board Meeting

Des Moines Water Works (DMWW) commissioned the McMullen Water Treatment Plant (MWTP), which is a conventional lime-softening plant, in May of 2000. As part of the treatment process, DMWW uses ferric chloride and powdered activated carbon (PAC) chemicals. This project will repurpose an old soda ash bin and feed system that is no longer utilized and install a redundant PAC feed system in its place.

The engineer's cost estimate for the base bid on the 2023 MWTP Chemical Feed Improvements project is \$880,000. Alternate 1 is the replacement of the existing PAC feed system, with an estimate of \$188,000. Alternate 2 is to replace the floor coating in the ferric chloride room, estimated at \$29,500. Total estimated cost with all alternates is \$1,097,500. Staff recommends the Board authorize staff to solicit bids for the 2023 MWTP Chemical Feed Improvements project and establish the date of the Public Hearing as the date of the November 2023 Board meeting.

A motion was made by Ms. Munns, and seconded by Mr. Gillette, to solicit bids for the MWTP Chemical Feed Improvements project and establish the date of the Public Hearing as the date of the November 2023 Board meeting, and direct staff to publish notice as provided by law. Upon vote, the motion was adopted, with each member of the Board listed above as present voting in favor of the motion.

Request Authorization to Solicit Bids for IDOT Polk 35-80 Hickman Interchange and Establish the date of the Public Hearing as the date of the November 2023 Board Meeting

One of the key arterial feeder mains to the LP Moon Pumping Station and Ground Storage Reservoir (LP Moon) site includes a 36" feeder main that was installed in the Hickman Road corridor in the mid-1990s. The LP Moon site is instrumental in delivering water to several western suburbs (Clive, Waukee, West Des Moines, Urbandale, and Xenia Rural Water). An alteration to this key feeder main will be required as part of an interchange redesign by the Iowa Department of Public Transportation (IDOT) occurring at the intersection of I-35/80 and Hickman Road. Staff have been coordinating with IDOT designers for the past several months to limit the physical and resultant financial impacts on the feeder main infrastructure.

Work at the Hickman Interchange will call for the installation of approximately 720 feet of either 36-inch Ductile Iron Pipe (DIP) or 36-inch Prestressed Concrete Cylinder Pipe (PCCP) feeder main to address conflicts under the IDOT 35-80 Hickman Interchange project. The feeder main work will be done in the Fall of 2024 in advance of the IDOT project, which is scheduled to begin in January 2025.

Preparation of plans, specifications, and contract documents for the IDOT Polk 35-80 Hickman Interchange project are nearing completion. Two material options will be bid for the required alteration. One is 36" ductile iron pipe (DIP) with an Engineer's estimate at \$1,433,000, the other is 36" prestressed concrete cylinder pipe (PCCP) with an estimate of \$1,377,000.

A motion was made by Mr. Gillette, and seconded by Mr. Davis, to solicit bids for the IDOT Polk 35-80 Hickman Interchange project and establish the date of the Public Hearing as the date of the November 2023 Board meeting, and direct staff to publish notice as provided by law. Upon vote, the motion was adopted, with each member of the Board listed above as present voting in favor of the motion.

Request Resolution to Terminate Plans for the Placement of a Water Main within Easement Recorded at Book 7730, Page 599

In 1997, an easement was granted for placement of a future water main along the west side of NE 80<sup>th</sup> Street east of Altoona. The easement was recorded in Book 7730, Page 599 at the office of the Polk County Recorder. A water main was never installed on this property. Water mains were installed along the east side of NE 80<sup>th</sup> Street. There is no operational necessity to retain the easement on the west side of NE 80<sup>th</sup>. Staff recommend vacating the easement in question.

A motion was made by Mr. Davis and seconded by Ms. Munns, to terminate the plans for the placement of a water main within the easement recorded at book 7730, page 599, and authorize staff to vacate said easement. Upon vote, the motion was adopted, with each member of the Board listed above as present voting in favor of the motion.

Board Committee Reports

The following reports were provided:

- Finance and Audit Committee – A meeting was held on September 5, 2023, as reflected in the minutes thereof. Mr. Davis gave a brief summary of the meeting.
- Planning Committee – No meeting was held in September.
- Greater Des Moines Botanical Garden – Mr. Gillette had no update to share.
- Des Moines Water Works Park Foundation – Mr. Bruner gave a brief summary of their last meeting.

#### Stowe Foundation

Mr. Gillette gave a brief update of plans to bring an update on the Stowe Foundation plans in Water Works Park to the Planning Committee meeting in October.

#### CEO and General Manager's Comments

Mr. Corrigan didn't have any comments other than wanting to highlight the safety update in the packet and speak about the training that has been done and that is to come.

#### Safety Update

Mr. Corrigan mentioned that there have been six reportable injuries thus far this year. Six injuries at the nine-month mark for an organization our size is less than average, and it shows that our safety programs are making a difference.

4:07 p.m. ajourned

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

Tuesday, October 3, 2023

3:30 p.m.

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

Board Members: Mr. Alec Davis

Staff Members: Pat Bruner, Caitlin Caldwell, Nathan Casey, Ted Corrigan, Kyle Danley,  
Doug Garnett, Amy Kahler, Michelle Holland, Jenny Puffer, Laura  
Sarcone, Melissa Walker, Lindsey Wanderscheid, Michelle Watson

Also in attendance: None

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

Proposed 2024 Budget

The Board of Trustees will set the Public Hearing for the 2024 Budget at the November Board meeting. Ms. Holland reviewed projections for 2024 revenue and additional funding, and for expenses.

She also highlighted department statistics. Total revenue for 2024 is proposed to be budgeted at \$84.8 million, up \$5.8 million compared to the 2023 budget. Water pumpage is proposed to be budgeted at 18.2 billion gallons, based on seven-year average pumpage. The 2024 proposed revenue budget reflects recommended rate increases taking effect on April 1, 2024.

Cost of Service Study & Proposed 2024 Water Rates

DMWW's draft 2023 Cost of Service Study Report was presented and reviewed.

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.

The draft 2024 Cost of Service Study Report summarizes how revenue requirements are allocated not only to various cost functions, but also to various customer classes. The Study assigns costs attributable to peaking based on the demands each customer class places on the system.

Proposed 2024 Water Rates were presented and discussed.

Based on COS results, staff recommends a 10% increase for Purchased Capacity customers, and a 0% rate increase for the Wholesale With Storage customer class. All rates are proposed to be effective April 1, 2023.

CFO's Comments

Ms. Kahler noted that nothing at this meeting each year they usually present on corporate insurance however this year there is nothing noteworthy happening. She did mention that there would be a slight increase.

Public Comments

There were no comments from the public.

Meeting adjourned at 4:35 p.m.



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

Tuesday, October 10, 2023

3:30 p.m.

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

Board Members: Ms. Andrea Boulton, Mr. Alec Davis, Mr. Graham Gillette, and Ms. Susan Huppert

Staff Members: Pat Bruner, Caitlin Caldwell, Nathan Casey, Ted Corrigan, Kyle Danley, Doug Garnett, Amy Kahler, Mike McCurnin, Laura Sarcone, Melissa Walker, and Michelle Watson

Also in Attendance: Amy Beattie

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

Stowe Memorial Presentation

Mr. Gillette gave a presentation on the Stowe Memorial. He spoke about ideas that were previously discussed, including a public educational place in Water Works Park, an education program for 5<sup>th</sup> grade students put together by Drake University, and re-branding of the annual water academy. Some questions were raised about the project, and there was further discussion.

COO's Comments

Mr. Danley briefly spoke about pumpage and even with lower usage days we are still on pace to break the record of last year.

Public Comments

There were no comments from the public.

Meeting adjourned at 4:36 p.m.

**DES MOINES WATER WORKS  
FINANCIAL STATEMENT COMMENTS  
FOR THE MONTH ENDED September 30, 2023**

**STATEMENT OF NET POSITION**

Below are summaries of financial position and activity for the month of September 2023:

**Summary Net Position (in millions)**

	<b>Sep 30, 2023</b>	<b>Dec 31, 2022</b>
Cash	\$24.3	\$24.4
Invested Cash	37.0	23.1
Accounts Receivable	14.3	12.0
Operating Reserves	15.1	13.4
Other Assets	6.3	7.3
Fixed Assets	618.6	618.6
Less: Accum Depreciation/Amortization	<u>(239.0)</u>	<u>(228.8)</u>
Net Fixed Assets	379.6	389.8
Construction in Progress	<u>20.8</u>	<u>9.6</u>
Total Assets	<u>497.5</u>	<u>479.6</u>
Deferred Outflows of Resources	11.6	11.6
<b>Total Assets &amp; Deferred Outflows of Resources</b>	<b><u>509.1</u></b>	<b><u>491.2</u></b>
Current Liabilities	10.6	14.6
Long-Term Liabilities	32.8	32.8
Other Liabilities	<u>2.2</u>	<u>2.0</u>
Total Liabilities	45.5	49.4
Deferred Inflows of Resources	11.1	11.1
Net Position	<u>452.4</u>	<u>430.7</u>
<b>Total Liabilities, Deferred Inflows of Resources &amp; Net Position</b>	<b><u>509.1</u></b>	<b><u>491.2</u></b>

The deferred inflows and deferred outflows of resources are composed of the differences between actual and expected experience of different components of the pension plan related to future reporting periods. These differences are measured each year and then recognized in pension expense over multiple future reporting periods depending on the nature of the difference (e.g., investment returns, demographic experience, assumption changes, etc.). Deferred outflow of resources is a consumption of net assets applicable to a future reporting period. Deferred inflow of resources is an acquisition of net assets applicable to a future reporting period.

## STATEMENT OF EARNINGS

Summary information from the Statement of Earnings is as follows:

	September 2023	Year to date 2023	Year to date 2022
<b>Operating Revenue</b>	\$ 9.6 million	\$ 71.9 million	\$ 64.4 million
<b>Operating Expenses</b>	\$ 6.0 million	\$ 51.7 million	\$ 48.2 million
<b>Other Income (Expense)</b>	\$ 0.2 million	\$ 1.6 million	\$ 0.1 million
<b>Net Earnings</b>	\$ 3.8 million	\$ 21.8 million	\$ 16.3 million

The table below summarizes expenses for the period-to-date ended September 2023 and 2022:

### OPERATING EXPENSES

Year-to-Date Ending September 30, 2023 and 2022

	YTD Sep 2023	% of Total	YTD Sep 2022	% of Total
Labor	\$ 12,877,148	31%	\$ 12,284,993	32%
Benefits	6,646,112	16%	6,785,142	18%
Purchased Services	6,288,276	15%	6,861,311	18%
Materials and Equipment	4,034,756	10%	2,990,302	8%
Chemicals	6,681,229	16%	5,020,794	13%
Utilities/Telephone	2,759,830	7%	2,557,284	7%
Insurance	1,503,174	4%	1,203,354	3%
Postage	324,266	1%	298,937	1%
Other	410,967	1%	377,129	1%
	<u>\$ 41,525,758</u>	<u>100%</u>	<u>\$ 38,379,246</u>	<u>100%</u>

## PROJECT EXPENSES

Total expenditures for operating projects through September 2023 were approximately \$41.5 million or 71% of the operating budget. Overall expenditures on capital projects were approximately \$11.2 million or 13% of the capital budget.

**DES MOINES WATER WORKS**  
**Statement of Net Position**  
**For the Period Ending September 30, 2023 and December 31, 2022**

	2023	2022	Change
<b>ASSETS</b>			
<b>Cash</b>			
Petty Cash	\$ 1,900	\$ 1,900	
Interest Bearing Cash	24,291,701	24,362,029	
Total	\$ 24,293,601	\$ 24,363,929	\$ (70,328)
<b>Invested Cash</b>			
Cash on Hand	\$ 481,627	\$ 452,194	
U.S. Government Securities	36,468,748	22,635,308	
Total	\$ 36,950,376	\$ 23,087,502	\$ 13,862,874
<b>Accounts Receivable</b>			
Accounts Receivable	\$ 11,260,215	\$ 8,936,610	
Accounts Receivable Unbilled	2,914,894	2,914,894	
Accrued Interest Receivable	141,576	98,524	
Total	\$ 14,316,685	\$ 11,950,028	\$ 2,366,657
<b>Board Designated Reserves</b>			
<b>Operating</b>			
Cash On Hand	\$ 67,267	\$ 23,509	
U.S. Government Securities	15,055,871	13,383,339	
Total	\$ 15,123,139	\$ 13,406,848	\$ 1,716,290
<b>Other Assets</b>			
Materials in Stock Accounts	\$ 4,710,533	\$ 4,770,969	
Water Receivable Long-Term	243,577	241,040	
Lease Receivable	1,068,490	1,068,490	
Prepaid Insurance	98,416	937,132	
Prepaid Expense	303,072	487,730	
Accum Unrealized Gain/(Loss) Invest	(102,393)	(165,986)	
Total	\$ 6,321,695	\$ 7,339,376	\$ (1,017,680)

**DES MOINES WATER WORKS**  
**Statement of Net Position**  
**For the Period Ending September 30, 2023 and December 31, 2022**

	2023	2022	Change
<b>ASSETS-CONTINUED</b>			
<b>Fixed Assets</b>			
Land & Right of Way	\$ 8,208,369	\$ 8,208,369	
Structures and Machinery	177,404,410	177,404,410	
Water Supply System	61,641,214	61,641,214	
Urbandale Booster System	509,687	509,687	
Pipelines	298,387,507	298,387,507	
Meters	33,622,365	33,622,365	
Laboratory Equipment	822,658	822,658	
Distribution Equipment	1,664,460	1,664,460	
Mobile Equipment	4,464,544	4,464,544	
Vehicles	3,019,327	3,019,327	
Office Equipment	1,346,166	1,346,166	
MIS Equipment	27,407,397	27,407,397	
Intangible Right-to-use Asset	115,750	115,750	
Total	\$ 618,613,855	\$ 618,613,855	
Accumulated Depreciation/Amortization	(238,987,338)	(228,831,547)	
Construction in Progress	\$ 20,822,509	9,644,209	
Total Fixed Assets	\$ 400,449,026	\$ 399,426,517	\$ 1,022,509
<b>TOTAL ASSETS</b>	<b>\$ 497,454,521</b>	<b>\$ 479,574,199</b>	<b>\$ 17,880,322</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related Amounts	11,596,970	11,596,970	
Total	\$ 11,596,970	\$ 11,596,970	\$ -
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 509,051,491</b>	<b>\$ 491,171,169</b>	<b>\$ 17,880,322</b>

**DES MOINES WATER WORKS**  
**Statement of Net Position**  
**For the Period Ending September 30, 2023 and December 31, 2022**

	2023	2022	Change
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 314,390	\$ 2,732,873	
Construction Payables	3,553,544	5,108,072	
Salaries and Wages Payable	605,328	1,048,736	
Accrued Leave	3,758,369	3,758,369	
State Tax Payable	441,199	323,030	
Work Comp Reserves	490,917	490,917	
Fees Collected for Other Entities	1,378,829	1,114,223	
Unclaimed Refunds	24,710	10,622	
Total	\$ 10,567,287	\$ 14,586,842	\$ (4,019,555)
<b>Long Term Liabilities</b>			
Pension Liability	\$ 18,270,897	\$ 18,270,897	
Other Post-Employment Benefit Liability	14,425,185	14,425,185	
Lease Liability	57,236	57,236	
Total	\$ 32,753,318	\$ 32,753,318	\$ -
<b>Other Liabilities</b>			
Deposits by Consumers	\$ 2,134,248	\$ 2,010,429	
Project H2O	31,252	11,046	
Miscellaneous Liabilities	9,745	9,745	
Total	\$ 2,175,245	\$ 2,031,219	\$ 144,026
<b>TOTAL LIABILITIES</b>	<b>\$ 45,495,850</b>	<b>\$ 49,371,379</b>	<b>\$ (3,875,529)</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related Amounts	\$ 2,931,843	\$ 2,931,843	
Other Post-Employment Benefit Amounts	7,166,158	7,166,158	
Lease Amounts	1,048,471	1,048,471	
Total	\$ 11,146,472	\$ 11,146,472	\$ -
<b>NET POSITION</b>	<b>\$ 452,409,169</b>	<b>\$ 430,653,318</b>	<b>\$ 21,755,851</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; NET POSITION</b>	<b>\$ 509,051,491</b>	<b>\$ 491,171,169</b>	<b>\$ 17,880,322</b>

**Des Moines Water Works**  
**Statement of Earnings and Retained Earnings**  
**For the Month Ended September 30, 2023, the Nine Month Endings September 30, 2023**  
**and the Nine Months Ending September 30, 2022**

	Current Month 2023	Year-To-Date 2023	Yearly Budget 2023	Actual vs. Budget Variance	Year-To-Date 2022	Year-To-Date Current vs. Prior Year
<b>OPERATING REVENUE</b>						
Water Sales	\$ 9,184,094	\$ 67,243,182	\$ 78,982,504	\$ (11,739,322)	\$ 60,290,982	\$ 6,952,200
Sewer Services - Runnells	8,162	71,008	77,291	(6,283)	68,900	2,108
Late Fees	44,022	353,842	375,000	(21,158)	339,946	13,896
Other Sales and Services	103,664	1,939,881	3,023,245	(1,083,364)	1,789,750	150,131
Billing Services Revenue	191,726	1,427,160	2,166,000	(738,840)	1,376,181	50,979
Land Use Revenue	15,648	160,918	216,000	(55,082)	162,636	(1,718)
Connection Fees	41,775	655,650	400,000	255,650	342,980	312,670
Cash Discount and Refunds	406	2,534	-	2,534	2,960	(426)
Total Operating Revenues	\$ 9,589,497	\$ 71,854,175	\$ 85,240,040	\$ (13,385,865)	\$ 64,374,335	\$ 7,479,840
<b>OPERATING EXPENSES</b>						
Labor	\$ 1,410,706	\$ 12,877,148	\$ 17,714,194	\$ 4,837,046	\$ 12,284,993	\$ (592,155)
Benefits	471,647	3,102,018	4,244,600	1,142,582	2,987,387	(114,631)
Retirement Benefits	508,128	3,544,094	5,454,800	1,910,706	3,797,755	253,661
Postage	36,021	324,266	450,000	125,734	298,937	(25,329)
Telephone	29,475	225,463	288,735	63,272	211,580	(13,883)
Insurance	126,945	1,503,174	1,625,000	121,826	1,203,354	(299,820)
Casualty Loss	824	33,518	110,000	76,482	28,481	(5,037)
Loss on Bad Accounts	1,285	(14,395)	155,000	169,395	(7,024)	7,371
Purchased Services	546,124	6,288,276	10,990,850	4,702,574	6,861,311	573,035
Training	41,874	170,658	251,270	80,612	102,495	(68,163)
Materials and Equipment	484,653	4,034,756	4,371,355	336,599	2,990,302	(1,044,454)
Chemicals	823,204	6,681,229	8,952,971	2,271,742	5,020,794	(1,660,435)
Utilities	343,671	2,534,367	3,149,500	615,133	2,345,704	(188,663)
Gasoline/Fuel	25,467	221,186	382,680	161,494	253,177	31,991
Total Operating Expense	\$ 4,850,024	\$ 41,525,758	\$ 58,140,955	\$ 16,615,197	\$ 38,379,246	\$ (3,146,512)
Depreciation & Amort Expense	\$ 1,125,254	10,155,791	13,583,232	3,427,441	\$ 9,794,620	(361,171)
Net Income from Operations	3,614,219	20,172,626	13,515,853	6,656,773	16,200,469	3,972,157
Other Income (Expense) :						
Capital Contributions	\$ -	\$ -	\$ -	\$ -	\$ 161,839	\$ (161,839)
Investment Income	\$ 30,540	\$ 308,053	\$ 195,600	\$ 112,453	44,713	263,340
Net Change - Investment Values	202,775	1,263,764	-	1,263,764	(86,468)	1,350,232
Interest Income / Expense	-	-	-	-	(2,355)	2,355
Gain/Loss on Fixed Assets	-	11,408	-	11,408	-	11,408
Other Income (Expense), net	\$ 233,315	\$ 1,583,225	\$ 195,600	\$ 1,387,625	\$ 117,729	\$ 1,465,496
Net Earnings	\$ 3,847,534	\$ 21,755,851	\$ 13,711,453	\$ 8,044,398	\$ 16,318,198	\$ 5,437,653
Retained Earnings, January 1		\$ 430,653,318			\$ 396,920,642	
Ending Retained Earnings		\$ 452,409,169			\$ 413,238,840	

**DES MOINES WATER WORKS  
STATEMENT OF INVESTMENT CHANGES  
FOR THE MONTH ENDED SEPTEMBER 30, 2023**

**INVESTED RESERVES**

	Balance at 8/31/2023	Additions	Deductions	Balance at 9/30/2023
<b>Operating</b>				
Cash on Hand	\$67,065	203	-	\$67,267
U.S. Government Securities	\$15,014,570	41,302	-	\$15,055,871
Total Invested Reserves	\$15,081,634	\$41,504	\$0	\$15,123,139

The estimated annual yield at market for 9/30/2023 was 1.52%

**INVESTED OPERATING CASH**

	Balance at 8/31/2023	Additions	Deductions	Balance at 9/30/2023
<b>Operating</b>				
Cash on Hand	\$8,420,052	3,119,917	11,058,342	\$481,627
U.S. Government Securities	\$28,416,246	11,167,502	3,115,000	36,468,748
Total Invested Reserves	\$36,836,298	\$14,287,420	\$14,173,342	\$36,950,376

The estimated annual yield at market for 9/30/2023 was 1.52%



**DES MOINES WATER WORKS  
STATEMENT OF INVESTMENT CHANGES  
YEAR TO DATE 2023**

**PENSION FUND**

	Balance 1/1/2023	Transfers, Expenses & Deposits	Benefit Payments	Investment Return	Balance at 9/30/2023	YTD % Return
<b><i>Fixed Income</i></b>						
Mellon Capital Mgmt - Bond Market Index	5,884,782	2,059,117	(2,898,487)	(48,294)	4,997,118	-0.95%
Neuberger Berman / Mellon / DDJ - High Yield I	2,054,249	(23,497)		124,619	2,155,370	6.10%
Principal Global Investors - Income	17,705,946	403,519	2,821	(195,251)	17,917,035	-1.09%
<b><i>Large U.S. Equity</i></b>						
Principal Global Investors - Equity Income	6,222,871	150,268		9,687	6,382,825	0.15%
Principal Global Investors - Large Cap S&P 500 Index	2,608,625	(209,943)		338,368	2,737,050	13.39%
T. Rowe Price / Brown Advisory - Large Cap Growth	6,026,644	(997,696)		1,390,627	6,419,575	24.60%
<b><i>Small/Mid U.S. Equity</i></b>						
Robert Baird / Eagle Asset Mgmt - Mid Cap Growth III	894,171	(39,301)		59,844	914,714	6.81%
DFA / Vaughan Nelson / LA Capital - Small Cap Value II	457,533	(7,821)		22,902	472,614	5.04%
AB / Brown / Emerald - Small Cap Growth I	453,452	(21,885)		21,897	453,465	4.93%
LA Capital Mgmt / Victory - Mid Cap Value I	918,826	25,495		4,669	948,990	0.50%
<b><i>International Equity</i></b>						
Causeway / Barrow Hanley - Overseas	1,698,521	115,055		203,993	2,017,570	11.72%
Principal Global Investors / DFA - International Small Cap	769,177	(836,789)		67,612	0	8.78%
Principal Global Investors - Diversified International	3,865,020	175,443		253,993	4,294,456	6.46%
Origin Asset Management LLP - Origin Emerging Markets	1,345,371	(94,079)		45,440	1,296,731	3.47%
<b>Total Principal Financial</b>	<b>\$ 50,905,188</b>	<b>\$ 697,887</b>	<b>\$ (2,895,666)</b>	<b>\$ 2,300,104</b>	<b>\$ 51,007,513</b>	<b>4.64%</b>

DES MOINES WATER WORKS  
Project Costs by Department - Summary  
Year to Date ended September 30, 2023  
75% of Year Completed

	YTD Actual	Yearly Budget 2023	Budget Adjustment / Carry Over	Net Yearly 2023 Budget	Variance	% of Budget
Operating						
Office of the CEO/General Manager	\$1,052,152	\$2,412,086	\$0	\$2,412,086	\$1,359,934	44%
Customer Service	\$4,051,262	\$5,605,717	\$0	\$5,605,717	\$1,554,455	72%
Engineering	\$1,617,796	\$1,776,480	\$0	\$1,776,480	\$158,684	91%
Finance	\$5,092,563	\$5,848,016	(\$2,886)	\$5,845,130	\$752,567	87%
Human Resources	\$704,423	\$956,492	\$0	\$956,492	\$252,069	74%
Information Technology	\$2,351,035	\$3,393,739	\$0	\$3,393,739	\$1,042,704	69%
Office of the Chief Operating Officer	\$1,720,459	\$2,818,019	\$2,886	\$2,820,905	\$1,100,446	61%
Water Distribution	\$5,875,102	\$8,206,335	(\$105,000)	\$8,101,335	\$2,226,233	73%
Water Production	\$19,060,965	\$27,124,071	\$105,000	\$27,229,071	\$8,168,106	70%
Total Operating	\$41,525,758	\$58,140,955	\$0	\$58,140,955	\$16,615,196	71%
Capital						
Office of the CEO/General Manager	\$0	\$0	\$0	\$0	\$0	No Budget
Customer Service	\$1,052,070	\$1,736,895	\$0	\$1,736,895	\$684,825	61%
Engineering	\$7,376,153	\$54,338,440	\$20,472,250	\$74,810,690	\$67,434,537	10%
Finance	\$0	\$0	\$0	\$0	\$0	No Budget
Human Resources	\$0	\$0	\$0	\$0	\$0	No Budget
Information Technology	\$567,074	\$2,140,750	\$0	\$2,140,750	\$1,573,676	26%
Office of the Chief Operating Officer	\$8,365	\$251,473	\$0	\$251,473	\$243,108	3%
Water Distribution	\$496,683	\$1,673,131	\$0	\$1,673,131	\$1,176,448	30%
Water Production	\$1,723,293	\$2,321,067	\$784,000	\$3,105,067	\$1,381,774	55%
Total Capital	\$11,223,639	\$62,461,756	\$21,256,250	\$83,718,006	\$72,494,367	13%
Total Project Costs	\$52,749,398	\$120,602,711	\$21,256,250	\$141,858,961	\$89,109,564	37%

DES MOINES WATER WORKS  
Project Costs by Department - Summary  
Year to Date ended September 30, 2023  
75% of Year Completed

**Office of the CEO/General Manager**

		YTD Actual	Yearly Budget 2023	Budget Adjustment / Carry Over	Net Yearly 2023 Budget	Variance	% of Budget
Operating							
950-200	New Business, Community & Economic Dev	\$56,705	\$78,036	\$0	\$78,036	\$21,331	73%
996-001	CEO Department Administration	\$535,471	\$413,571	\$0	\$413,571	(\$121,900)	129%
996-030	Board Activities	\$168,659	\$1,327,026	\$0	\$1,327,026	\$1,158,367	13%
996-200	Business Strategies	\$96,428	\$188,972	\$0	\$188,972	\$92,544	51%
996-210	Project Management	\$75,987	\$98,635	\$0	\$98,635	\$22,648	77%
995-010	Public Policy - WS Advocate	\$118,901	\$305,846	\$0	\$305,846	\$186,945	39%
Total Operating		\$1,052,152	\$2,412,086	\$0	\$2,412,086	\$1,359,934	44%
OCEO Capital							
Total Capital		\$0	\$0	\$0	\$0	\$0	\$0
Total Office of CEO/General Manager		\$1,052,152	\$2,412,086	\$0	\$2,412,086	\$1,359,934	44%

DES MOINES WATER WORKS  
Project Costs by Department - Summary  
Year to Date ended September 30, 2023  
75% of Year Completed

**Customer Service**

		YTD Actual	Yearly Budget 2023	Budget Adjustment / Carry Over	Net Yearly 2023 Budget	Variance	% of Budget
Operating							
950-001	Customer Service Admin	\$1,775,586	\$2,145,683	\$0	\$2,145,683	\$370,097	83%
950-100	CS Contact Ctr and Data Quality	\$704,488	\$1,200,183	\$0	\$1,200,183	\$495,695	59%
950-300	Public Relations and Communication	\$148,730	\$265,902	\$0	\$265,902	\$117,172	56%
950-500	CS Collections and Dispatch	\$366,435	\$626,014	\$0	\$626,014	\$259,579	59%
950-600	Field CS and Water Quality	\$1,056,024	\$1,367,935	\$0	\$1,367,935	\$311,911	77%
Total Operating		\$4,051,262	\$5,605,717	\$0	\$5,605,717	\$1,554,455	72%
Capital							
955-060	Field Customer Service Capital	\$1,039,627	\$1,736,895	\$0	\$1,736,895	\$697,268	60%
925-160	Radio Frequency - Capital	\$12,443	\$0	\$0	\$0	(\$12,443)	No Budget
Total Capital		\$1,052,070	\$1,736,895	\$0	\$1,736,895	\$684,825	61%
Total Customer Service		\$5,103,333	\$7,342,612	\$0	\$7,342,612	\$2,239,279	70%

DES MOINES WATER WORKS  
Project Costs by Department - Summary  
Year to Date ended September 30, 2023  
75% of Year Completed

**Engineering**

		YTD Actual	Yearly Budget 2023	Budget Adjustment / Carry Over	Net Yearly 2023 Budget	Variance	% of Budget
Operating							
940-001	Engineering Dept Administration	\$1,598,863	\$1,706,063	\$0	\$1,706,063	\$107,200	94%
940-010	Engineering Studies	\$18,933	\$70,417	\$0	\$70,417	\$51,484	27%
	Total Operating	\$1,617,796	\$1,776,480	\$0	\$1,776,480	\$158,684	91%
Capital							
945-010	Facility Management	\$1,461,358	\$3,956,359	\$4,351,750	\$8,308,109	\$6,846,751	18%
945-012	New ASR Well	\$730,142	\$2,750,882	\$638,000	\$3,388,882	\$2,658,740	22%
945-080	WMR - Des Moines	\$1,807,907	\$9,452,241	\$5,000,000	\$14,452,241	\$12,644,334	13%
945-090	WMR - Polk County	\$179,914	\$3,137,711	\$3,000,000	\$6,137,711	\$5,957,797	3%
945-095	WMR - Windsor Heights	\$18,039	\$28,221	\$784,000	\$812,221	\$794,182	2%
945-100	WMR - Pleasant Hill	\$288	\$300,000	\$0	\$300,000	\$299,712	0%
945-120	WMR - Cumming	\$1,583	\$0	\$0	\$0	(\$1,583)	No Budget
945-200	Development Plan Review & Inspection	\$275,083	\$284,784	\$42,000	\$326,784	\$51,701	84%
945-210	Core Network Feeder Mains	\$685,871	\$4,165,673	\$0	\$4,165,673	\$3,479,802	16%
945-220	Fleur Drive Treatment Plant	\$792,868	\$8,945,587	\$3,675,500	\$12,621,087	\$11,828,219	6%
945-225	McMullen Water Treatment Plant	\$230,653	\$789,543	\$1,781,000	\$2,570,543	\$2,339,890	9%
945-228	Saylorville Water Treatment Plant	\$1,003,558	\$20,527,439	\$0	\$20,527,439	\$19,523,881	5%
945-230	Remote Facilities - Pumping & Storage	\$55,727	\$0	\$1,200,000	\$1,200,000	\$1,144,273	5%
945-235	Joint NW Storage, PS and Feeder Mains	\$114,082	\$0	\$0	\$0	(\$114,082)	No Budget
945-245	Joint SW Storage, PS and Feeder Mains	\$15,819	\$0	\$0	\$0	(\$15,819)	No Budget
945-250	Waukee-Xenia Feeder Main & Pump Station	\$3,259	\$0	\$0	\$0	(\$3,259)	No Budget
	Total Capital	\$7,376,153	\$54,338,440	\$20,472,250	\$74,810,690	\$67,434,537	10%
Total Engineering		\$8,993,950	\$56,114,920	\$20,472,250	\$76,587,170	\$67,593,220	12%

DES MOINES WATER WORKS  
Project Costs by Department - Summary  
Year to Date ended September 30, 2023  
75% of Year Completed

**Finance**

		YTD Actual	Yearly Budget 2023	Budget Adjustment / Carry Over	Net Yearly 2023 Budget	Variance	% of Budget
Operating							
930-001	Finance Dept Administration	\$768,476	\$1,034,466	(\$2,886)	\$1,031,580	\$263,104	74%
930-010	Financial Services	\$2,029,012	\$2,284,090	\$0	\$2,284,090	\$255,078	89%
930-086	Other Accounting Expenses	\$13,611	\$0	\$0	\$0	(\$13,611)	No Budget
930-090	Purchasing	\$85,581	\$97,989	\$0	\$97,989	\$12,408	87%
950-410	A/R Management	\$698,626	\$892,813	\$0	\$892,813	\$194,187	78%
970-010	Central Stores	\$86,643	\$128,179	\$0	\$128,179	\$41,536	68%
970-500	GDMBG Operations and Maintenance	\$100,135	\$100,000	\$0	\$100,000	(\$135)	100%
	Department Operating	\$3,782,084	\$4,537,537	(\$2,886)	\$4,534,651	\$752,567	83%
930-010	Financial Services - PILOT	\$1,310,479	\$1,310,479	\$0	\$1,310,479	\$0	100%
	Total Operating	\$5,092,563	\$5,848,016	(\$2,886)	\$5,845,130	\$752,567	87%
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		\$5,092,563	\$5,848,016	(\$2,886)	\$5,845,130	\$752,567	87%

DES MOINES WATER WORKS  
Project Costs by Department - Summary  
Year to Date ended September 30, 2023  
75% of Year Completed

**Human Resources**

		YTD Actual	Yearly Budget 2023	Budget Adjustment / Carry Over	Net Yearly 2023 Budget	Variance	% of Budget
Operating							
910-001	HR Dept Administration	\$260,636	\$334,425	\$0	\$334,425	\$73,789	78%
910-010	Employee Relations	\$211,055	\$262,179	\$0	\$262,179	\$51,124	81%
910-060	Employment	\$151,589	\$134,901	\$0	\$134,901	(\$16,688)	112%
910-110	Compensation/Benefits	\$81,161	\$143,265	\$0	\$143,265	\$62,104	57%
910-150	Employee Learning & Growth	(\$17)	\$81,722	\$0	\$81,722	\$81,739	0%
Total Operating		\$704,423	\$956,492	\$0	\$956,492	\$252,069	74%
Capital							
Total Capital		\$0	\$0	\$0	\$0	\$0	No Budget
Total Human Resources		\$704,423	\$956,492	\$0	\$956,492	\$252,069	74%

DES MOINES WATER WORKS  
Project Costs by Department - Summary  
Year to Date ended September 30, 2023  
75% of Year Completed

**Information Technology**

		YTD Actual	Yearly Budget 2023	Budget Adjustment / Carry Over	Net Yearly 2023 Budget	Variance	% of Budget
Operating							
920-001	IT Dept Administration	\$609,969	\$817,646	\$0	\$817,646	\$207,677	75%
920-160	Technical Services	\$137,651	\$270,953	\$0	\$270,953	\$133,302	51%
920-240	IT Development & Application Svcs	\$21,096	\$205,712	\$0	\$205,712	\$184,616	10%
920-250	IT Services	\$897,183	\$1,192,514	\$0	\$1,192,514	\$295,331	75%
920-350	System Services	\$685,137	\$906,914	\$0	\$906,914	\$221,777	76%
	Total Operating	\$2,351,035	\$3,393,739	\$0	\$3,393,739	\$1,042,704	69%
Capital							
925-010	Info Systems Capital	\$567,074	\$2,140,750	\$0	\$2,140,750	\$1,573,676	26%
	Total Capital	\$567,074	\$2,140,750	\$0	\$2,140,750	\$1,573,676	26%
Total Information Technology		\$2,918,109	\$5,534,489	\$0	\$5,534,489	\$2,616,380	53%



DES MOINES WATER WORKS  
Project Costs by Department - Summary  
Year to Date ended September 30, 2023  
75% of Year Completed

**Office of the Chief Operating Officer**

		YTD Actual	Yearly Budget 2023	Budget Adjustment / Carry Over	Net Yearly 2023 Budget	Variance	% of Budget
Operating							
993-000	OCOO Dept Administration	\$494,669	\$857,364	\$0	\$857,364	\$362,695	58%
960-510	Risk & Incident Management	\$472,255	\$926,008	\$2,886	\$928,894	\$456,639	51%
910-240	Safety	\$207,583	\$231,620	\$0	\$231,620	\$24,037	90%
970-060	Grounds Maintenance	\$545,952	\$803,027	\$0	\$803,027	\$257,075	68%
	Total Operating	\$1,720,459	\$2,818,019	\$2,886	\$2,820,905	\$1,100,446	61%
Capital							
975-005	Grounds Maintenance Capital	\$8,365	\$251,473	\$0	\$251,473	\$243,108	3%
	Total Capital	\$8,365	\$251,473	\$0	\$251,473	\$243,108	3%
Total Office of the COO		\$1,728,824	\$3,069,492	\$2,886	\$3,072,378	\$1,343,554	56%

DES MOINES WATER WORKS  
Project Costs by Department - Summary  
Year to Date ended September 30, 2023  
75% of Year Completed

**Water Distribution**

		YTD Actual	Yearly Budget 2023	Budget Adjustment / Carry Over	Net Yearly 2023 Budget	Variance	% of Budget
Operating							
960-001	Water Dist Dept Administration	\$1,868,925	\$3,204,357	\$0	\$3,204,357	\$1,335,432	58%
960-010	Distribution Administration	\$90,410	\$132,812	\$0	\$132,812	\$42,402	68%
960-100	Dist System Maint/Repairs	\$2,594,252	\$3,096,374	(\$105,000)	\$2,991,374	\$397,122	87%
960-160	Water Distribution Support	\$159,097	\$195,424	\$0	\$195,424	\$36,327	81%
960-180	Leak Detection	\$582,671	\$756,222	\$0	\$756,222	\$173,551	77%
960-250	Distribution Billed Services	\$579,748	\$821,146	\$0	\$821,146	\$241,398	71%
	Total Operating	\$5,875,102	\$8,206,335	(\$105,000)	\$8,101,335	\$2,226,233	73%
Capital							
965-010	Distribution System Improvements	\$484,785	\$1,638,831	\$0	\$1,638,831	\$1,154,046	30%
965-025	Dist Billed Services Capital	\$0	\$22,500	\$0	\$22,500	\$22,500	0%
965-200	Leak Detection Equipment	\$11,899	\$11,800	\$0	\$11,800	(\$99)	101%
	Total Capital	\$496,683	\$1,673,131	\$0	\$1,673,131	\$1,176,448	30%
Total Water Distribution		\$6,371,785	\$9,879,466	(\$105,000)	\$9,774,466	\$3,402,681	65%

DES MOINES WATER WORKS  
Project Costs by Department - Summary  
Year to Date ended September 30, 2023  
75% of Year Completed

**Water Production**

		YTD Actual	Yearly Budget 2023	Budget Adjustment / Carry Over	Net Yearly 2023 Budget	Variance	% of Budget
Operating							
970-110	Facility Maintenance	\$505,724	\$753,039	\$0	\$753,039	\$247,315	67%
970-200	Vehicle Maintenance	\$958,518	\$1,306,157	\$105,000	\$1,411,157	\$452,639	68%
970-360	Communication Sys Maintenance	\$20,686	\$53,064	\$0	\$53,064	\$32,378	39%
970-450	HVAC Operations & Maintenance	\$91,578	\$99,577	\$0	\$99,577	\$7,999	92%
980-001	Water Production Dept Admin	\$3,080,935	\$4,388,290	\$0	\$4,388,290	\$1,307,355	70%
980-010	Water Production Operations	\$947,720	\$1,189,600	\$0	\$1,189,600	\$241,880	80%
980-020	Fleur Treatment Chem/Energy	\$6,625,924	\$8,903,133	\$0	\$8,903,133	\$2,277,209	74%
980-030	McMullen Treatment Chem/Energy	\$2,115,783	\$3,231,252	\$0	\$3,231,252	\$1,115,469	65%
980-040	Saylorville Treatment Chem/Energy	\$915,609	\$1,605,047	\$0	\$1,605,047	\$689,438	57%
980-200	Fleur Plant Maintenance	\$1,324,046	\$1,893,639	\$0	\$1,893,639	\$569,593	70%
980-250	McMullen Plant Maintenance	\$340,717	\$582,851	\$0	\$582,851	\$242,134	58%
980-300	Saylorville Plant Maintenance	\$415,601	\$521,680	\$0	\$521,680	\$106,079	80%
980-350	WP Maintenance Oversight	\$135,769	\$220,992	\$0	\$220,992	\$85,223	61%
980-410	Louise P. Moon Pumping & Maint.	\$312,107	\$581,339	\$0	\$581,339	\$269,232	54%
980-420	PC PS Maintenance	\$111,400	\$160,986	\$0	\$160,986	\$49,586	69%
980-430	DM Remote Storage & Pumping	\$576,473	\$805,605	\$0	\$805,605	\$229,132	72%
980-500	Routine Laboratory Monitoring	\$534,517	\$657,139	\$0	\$657,139	\$122,622	81%
980-530	Source Water Quality	\$47,856	\$170,681	\$0	\$170,681	\$122,825	28%
Total Operating		\$19,060,965	\$27,124,071	\$105,000	\$27,229,071	\$8,168,106	70%
Capital							
985-010	Water Production Reinvestment	\$827,357	\$1,196,609	\$0	\$1,196,609	\$369,252	69%
975-010	Vehicle Capital	\$895,936	\$1,124,458	\$784,000	\$1,908,458	\$1,012,522	47%
Total Capital		\$1,723,293	\$2,321,067	\$784,000	\$3,105,067	\$1,381,774	55%
Total Water Production		\$20,784,258	\$29,445,138	\$889,000	\$30,334,138	\$9,549,880	69%

**Consent Agenda**  
**Item 1-C**

**MONTHLY SCHEDULE FOR THE MONTH OF SEPTEMBER 2023**

BANKERS TRUST EXCESS OPERATING CASH FUND	Investment Purchased	11,058,341.83
ACCOUNTS PAYABLE MONTHLY SCHEDULE	Weekly Check Runs	7,713,866.35
EMPLOYEE PAYROLL	Bi Weekly Payrolls	<u>1,360,184.82</u>
TOTAL		<u><u>\$20,132,393.00</u></u>

# PAYMENTS FOR SEPTEMBER, 2023

PeopleSoft Financials

Report ID: DWAPR002.sqr

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
75655	IPERS Collections	Pension Plan Contribution	\$230,052.27
90123	Des Moines Metro Credit Union	Credit Union Payable	21,807.00
91523	Des Moines Metro Credit Union	Credit Union Payable	21,862.00
92923	Des Moines Metro Credit Union	Credit Union Payable	22,062.00
93023	Discovery Benefits	Flex Spending - Reimbursements	369.95
120559	EMC Risk Services, Inc	Workers Comp	25,808.58
204608	Treasurer State of Iowa	Iowa State Sales Tax Payable	176,917.22
230901	Principal Life Insurance	Deferred Compensation Payable	78,391.65
230915	Principal Life Insurance	Deferred Compensation Payable	61,292.21
230929	Principal Life Insurance	Deferred Compensation Payable	61,316.76
271165	AccuCopy	Printing & Copies	339.04
271166	Acme Tools	Inventory	55.91
271167	Air-Mach Air Compressor &	Materials & Supplies	570.00
271168	Airgas North Central	Inventory	28.56
271169	Allied Electronics	Inventory	43.76
271170	Allied Instrumentation	Inventory	796.90
271171	Amazon Capital Services Inc	Materials & Supplies	461.18
271172	American Marking, Inc.	Materials & Supplies	15.30
271173	American Radiator	Vehicle Maintenance Materials	175.00
271174	American Toppers/Line-X	Vehicle Maintenance Materials	884.00
271175	Armored Knights., Inc	Purchased Services	528.00
271176	Arnold Motor Supply	Vehicle Maintenance Materials	10.99
271177	Bentley Ridge Tree Farm	Park Materials	325.48
271178	Bob Brown Chevrolet, Inc.	Vehicle Maintenance Materials	676.80
271179	Bolton & Menk, Inc	Contractors	429.00
271180	Brad Adams	Licenses & Certifications	72.00
271181	Capital City Equipment Company	Vehicle Maintenance Materials	54.57
271182	Capital Sanitary Supply	Inventory	319.78
271183	Central Iowa Ready Mix	Concrete	591.00
271184	CenturyLink	Telephone Services	61.36
271185	Charles Steele	Licenses & Certifications	72.00
271186	City Supply Corporation	Materials & Supplies	535.90
271187	City of Des Moines	Contractors	320.00
271188	Combined Systems Technology, Inc.	Materials & Supplies	802.06
271189	Construction & Aggregate Products, Inc.	Inventory	64.00
271190	Contract Specialty, L.C.	Park Materials	900.00
271191	Core and Main	Inventory	939.75
271192	Corrosion Fluid Products	Inventory	984.96
271193	Des Moines Fire Department	Purchased Services	1,045.00
271194	Des Moines Iron Company	Vehicle Maintenance Materials	223.25
271195	Des Moines Public Library	Contractors	60.00
271196	Douglas K. Oscarson	Consultants	1,798.20
271197	Dultmeier Sales LLC	Inventory	88.22
271198	Electronic Engineering Company	Purchased Services	1,453.40
271199	Fisher Scientific	Materials & Supplies	318.71
271200	GA Industries LLC	Inventory	40.53
271201	Garratt-Callahan Company	Contractors	525.00
271202	George Lawrence	Licenses & Certifications	252.00
271203	Gilcrest Jewett Lumber Company	Vehicle Maintenance Materials	1,035.29
271204	Grainger, Inc.	Materials & Supplies	1,244.04
271205	Graybar Electric Company	Inventory	1,435.94
271206	Home City Ice	Park Materials	472.50
271207	Illinois Mutual & Life Casualty Company	Insurance Withholding	17.81
271208	Jackson Miller	Licenses & Certifications	39.50
271209	Jessica Barnett	Food & Beverages	117.38
271210	Jo Brouwer	Materials & Supplies	69.55
271211	John's Tree Service, Inc.	Contractors	550.00

# PAYMENTS FOR SEPTEMBER, 2023

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<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
271212	Justin Forre	Safety Clothing	17.98
271213	Kim Langloss	Food & Beverages	55.50
271214	Kryger Glass	Purchased Services	79.95
271215	Lawson Products, Inc.	Inventory	24.97
271216	MSC Industrial Supply Company	Vehicle Maintenance Materials	93.52
271217	McDonald Supply	Materials & Supplies	1,411.86
271218	McMaster-Carr Supply Company	Vehicle Maintenance Materials	1,605.67
271219	Melissa Fuller	Mileage	49.55
271220	Menard's	Materials & Supplies	123.76
271221	Mid American Energy	Materials & Supplies	187.89
271222	Midwest Wheel Companies	Vehicle Maintenance Materials	712.10
271223	Nichols Equipment LLC	Contractors	2,412.00
271224	Ottson Oil Company	Vehicle Maintenance Materials	443.99
271225	P & P Small Engines, Inc.	Purchased Services	413.99
271226	Power Process Equipment, Inc.	Inventory	1,036.40
271227	Protex Central, Inc.	Contractors	524.50
271228	Robert Allison	Licenses & Certifications	72.00
271229	Ryan Cook	Licenses & Certifications	72.00
271230	SEI Security Equipment, Inc	Materials & Supplies	630.99
271231	SVPA Architects Inc	Contractors	706.40
271232	Shad Haidsiak	Mileage	309.50
271233	Sherwin Williams	Materials & Supplies	244.57
271234	Shottenkirk Chevy Wauke	Vehicle Maintenance Materials	1,250.72
271235	Smith's Sewer Service Inc.	Contractors	250.00
271236	Star Equipment, Ltd.	Vehicle Maintenance Materials	825.14
271237	Strauss Security Solutions	Materials & Supplies	115.00
271238	TK Elevator Corporation	Purchased Services	707.08
271239	Terry Monk	Licenses & Certifications	72.00
271240	The Shredder	Purchased Services	174.00
271241	Tinker Tooling	Inventory	1,064.00
271242	Tompkins Industries, Inc.	Inventory	577.96
271243	Total Tool	Inventory	1,138.50
271244	U.S. Autoforce	Vehicle Maintenance Materials	164.36
271245	UPS	Delivery/Freight	131.22
271246	USA Bluebook	Materials & Supplies	560.62
271247	USA Safety Supply Corp	Inventory	144.44
271248	UnityPoint Health	Purchased Services	311.00
271249	Utility Equipment Company	Inventory	204.70
271250	VWR International LLC	Inventory	865.71
271251	Van Meter Industrial, Inc.	Inventory	540.62
271252	Verizon Wireless Messaging Service	Cell Phones	139.20
271253	Waldinger Corporation	Purchased Services	1,645.00
271254	White Cap	Inventory	137.80
271255	Ziegler Inc.	Vehicle Maintenance Materials	481.22
271256	Absolute Group Co	Contractors	4,900.00
271257	Air Products	Inventory	9,489.38
271258	All Makes Office Equip	Office Supplies	12,376.72
271259	Baker Group	Contractors	3,642.94
271260	Bankers Trust Company	Corporate Credit Card	5,607.54
271261	Bonnie's Barricades	Contractors	12,244.40
271262	CFI Tire Service	Vehicle Maintenance Materials	2,726.24
271263	CONVERGEONE, INC	Maintenance Contracts	5,772.80
271264	CTI Ready Mix	Concrete	8,662.50
271265	Cintas	Purchased Services	2,931.50
271266	Corell Contractors	Contractors	539,387.58
271267	Cortrol Process Systems	Inventory	18,523.48
271268	Dixie Petro-Chem, Inc.	Inventory	18,018.76

# PAYMENTS FOR SEPTEMBER, 2023

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<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
271269	Dylan White	Training	4,344.00
271270	Gold Standard Diagnostics	Inventory	3,518.84
271271	HNTB Corporation	Contractors	34,859.75
271272	Heartland Controls	Materials & Supplies	3,383.35
271273	IFS Canada, Inc	Maintenance Contracts	31,996.49
271274	IMEG Corp	Contractors	4,730.00
271275	Iowa Contracting Inc	Asphalt	9,732.75
271276	Kemira Water Solutions, Inc	Inventory	12,566.16
271277	Logan Contractors Supply, Inc.	Inventory	2,526.31
271278	Mississippi Lime Company	Inventory	55,775.73
271279	Municipal Supply, Inc.	Inventory	24,293.95
271280	Murphy Tractor & Equipment	Purchased Services	5,454.37
271281	Napa Auto Parts	Vehicle Maintenance Materials	3,955.88
271282	Neptune Technology Group Inc	Materials & Supplies	6,780.53
271283	Radwell International	Inventory	3,711.88
271284	Snyder & Associates, Inc.	Contractors	4,852.48
271285	Tech Sales Company	Materials & Supplies	4,101.20
271286	Tension Envelope Corporation	Inventory	4,359.60
271287	Univar	Inventory	9,118.12
271288	Wigen Companies, Inc	Contractors	15,000.00
271289	Wiss, Janney, Elstner Associates, Inc.	Contractors	8,000.00
271290	Ekren Sadikov	Casualty Losses	824.11
271291	Master Single Payment Vendor	Refunds	2,027.40
271292	AT&T Mobility	Cell Phones	113.09
271293	Accurate Hydraulics & Machine Serv., Inc	Purchased Services	950.56
271294	Acme Tools	Distribution Equipment	920.18
271295	Applied Industrial Technologies	Inventory	478.60
271296	Master Single Payment Vendor	Refunds	79.39
271297	Master Single Payment Vendor	Unclaimed Refunds	163.59
271298	Badger Meter, Inc	Inventory	175.45
271299	Bearing Headquarters Company	Inventory	49.20
271300	Blackburn Manufacturing Company	Inventory	947.63
271301	Bob Brown Chevrolet, Inc.	Vehicle Maintenance Materials	578.84
271302	CDW	Materials & Supplies	96.20
271303	CPI International	Inventory	626.47
271304	Capital Sanitary Supply	Inventory	897.91
271305	CenturyLink	Telephone Services	232.63
271306	Cintas	Materials & Supplies	118.00
271307	City Supply Corporation	Materials & Supplies	952.96
271308	Cody Naber	Office Supplies	125.23
271309	Commercial Supply Co	Inventory	387.50
271310	Core and Main	Inventory	1,988.06
271311	Dentons Davis Brown PC	Legal Fees	706.00
271312	Electric Pump	Inventory	150.60
271313	Electrical Engineering & Equipment Co.	Inventory	2,240.42
271314	Fastenal Company	Inventory	48.33
271315	Ferrellgas, Inc.	Vehicle Maintenance Materials	35.08
271316	First Choice Coffee	Food & Beverages	471.00
271317	Flow Line Valve and Controls	Inventory	278.00
271318	Gold Standard Diagnostics	Inventory	2,287.00
271319	Graybar Electric Company	Inventory	989.89
271320	Hawkins Water Treatment Group	Inventory	556.00
271321	Home City Ice	Park Materials	400.00
271322	Hungerford Terry, Inc	Materials & Supplies	705.96
271323	Image Solutions	Tools	120.10
271324	Iowa Public Radio	Advertising	1,394.00
271325	Jeff McDonald	Safety Boots	245.00

# PAYMENTS FOR SEPTEMBER, 2023

PeopleSoft Financials

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<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
271326	Master Single Payment Vendor	Unclaimed Refunds	142.31
271327	KFI Engineers	Contractors	1,133.50
271328	Keystone Laboratories	Purchased Services	163.00
271329	Kirkham Michael	Contractors	1,290.00
271330	Larry's Window Service, Inc.	Purchased Services	132.00
271331	Lightning Pump	Materials & Supplies	468.84
271332	Master Single Payment Vendor	Refunds	1,451.84
271333	MSC Industrial Supply Company	Inventory	208.20
271334	Mayhew Environmental Training Associates	Training	1,750.00
271335	McDonald Supply	Inventory	48.75
271336	McMaster-Carr Supply Company	Inventory	645.40
271337	Melissa Goben	Mileage and Materials & Supplies	462.97
271338	Menard's	Materials & Supplies	714.41
271339	Midwest Office Technology, Inc.	Printing & Copies	1,012.39
271340	Midwest Wheel Companies	Vehicle Maintenance Materials	107.64
271341	Miller The Killer	Purchased Services	350.00
271342	Nihad Mrkaljevic	Safety Boots	136.41
271343	Nite Owl Printing	Materials & Supplies	700.00
271344	Northern Tool and Equipment	Materials & Supplies	55.98
271345	One Source	Purchased Services	767.30
271346	Orvis Horatio Group, LLC	Food & Beverages	1,194.75
271347	Ottsen Oil Company	Vehicle Maintenance Materials	1,616.64
271348	Master Single Payment Vendor	Refunds	63.35
271349	Master Single Payment Vendor	Refunds	25.47
271350	Master Single Payment Vendor	Refunds	22.81
271351	Plumb Supply Company	Inventory	1,420.93
271352	Premier Safety	Inventory	281.70
271353	Print Image Solutions, Inc.	Inventory	307.25
271354	Protex Central, Inc.	Contractors	524.50
271355	Radwell International	Materials & Supplies	121.88
271356	Reppert Rigging & Hauling Co.	Contractors	400.00
271357	Snap On Tool	Purchased Services	1,648.00
271358	Star Equipment, Ltd.	Inventory	269.60
271359	Steffen Truck Equipment Inc.	Vehicle Maintenance Materials	1,241.91
271360	Storey-Kenworthy Company	Inventory	2,044.92
271361	Subsurface Solutions	Materials & Supplies	711.65
271362	Sunbelt Rentals	Contractors	126.50
271363	TPx Communications	Internet Connectivity	753.05
271364	Total Tool	Inventory	313.79
271365	UPS	Delivery/Freight	7.85
271366	USA Bluebook	Inventory	940.02
271367	USA Safety Supply Corp	Inventory	107.81
271368	VWR International LLC	Inventory	2,073.96
271369	Waldinger Corporation	Contractors	1,162.50
271370	Wex Bank	Gasoline	236.22
271371	Aclara Technologies, LLC	Inventory	84,437.14
271372	Air Products	Inventory	10,691.06
271373	Aureon Communications, LLC.	Internet Connectivity	3,710.02
271374	Baker Group	Contractors	3,513.75
271375	Bonnie's Barricades	Contractors	12,823.60
271376	Boomi, LP	Consultants	11,117.50
271377	Calgon Carbon Kuraray	Inventory	33,898.00
271378	City of Alleman	Alleman Payable	8,467.11
271379	City of Cumming	Cumming Payable	7,820.85
271380	City of Pleasant Hill	Billing Service Revenue	297,822.02
271381	City of Runnells	Billing Service Revenue	6,474.76
271382	City of Windsor Heights	Billing Service Revenue	54,291.87



# PAYMENTS FOR SEPTEMBER, 2023

PeopleSoft Financials

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271383	Control Tech	Inventory	3,066.31
271384	Cottingham & Butler	Accounting Fees	5,000.00
271385	D.J. Gongol & Associates, Inc	Materials & Supplies	20,071.19
271386	DXP	Inventory	3,116.87
271387	Des Moines Iron Company	Vehicle Maintenance Materials	3,647.24
271388	Dixie Petro-Chem, Inc.	Inventory	27,787.18
271389	Douglas K. Oscarson	Consultants	2,675.10
271390	Evoqua Water Technologies LLC	Delivery/Freight	2,535.71
271391	Fisher Scientific	Materials & Supplies	3,025.80
271392	Grainger, Inc.	Materials & Supplies	5,030.33
271393	Greenfield Plaza Sanitary Sewer	Billing Service Revenue	28,988.19
271394	HDR Engineering	Contractors	48,819.69
271395	HNTB Corporation	Contractors	27,399.16
271396	Harcros Chemical Inc.	Inventory	8,680.95
271397	HomeServe USA	Billing Service Revenue	218,950.93
271398	Iowa Contracting Inc	Asphalt	8,976.00
271399	Iowa One Call	Purchased Services	4,573.10
271400	Kemira Water Solutions, Inc	Inventory	62,724.78
271401	Mail Services LLC	Postage	19,373.72
271402	Mesa Products	Inventory	11,925.82
271403	Mid American Energy	Utilities - Electric & Natural Gas	26,096.92
271404	Mississippi Lime Company	Inventory	67,824.34
271405	Municipal Supply, Inc.	Inventory	17,890.10
271406	Neptune Technology Group Inc	Inventory	3,115.76
271407	Polk County	Billing Service Revenue	80,702.50
271408	Polk County Treasurer	Billing Service Revenue	31,262.85
271409	Renewable Energy Group	Inventory	10,629.01
271410	Revize Software Systems	Maintenance Contracts	6,900.00
271411	Synagro Central, LLC	Contractors	38,772.88
271412	Taste To Go Catering & Events	Food & Beverages	4,579.50
271413	Trinity Consultants	Contractors	7,489.13
271414	Urbandale/Windsor Heights Sanitary Dist	Billing Service Revenue	39,163.90
271415	Van Meter Industrial, Inc.	Materials & Supplies	2,574.13
271416	Verizon Wireless Messaging Service	Cell Phones	4,850.99
271417	Warren Water District	Purchased Services	4,105.50
271418	Woodland Lake Estate Association	Woodland Lakes Estates Payable	4,220.75
271419	Master Single Payment Vendor	Refunds	1,757.10
271420	Master Single Payment Vendor	Refunds	138.95
271421	Master Single Payment Vendor	Refunds	41.14
271422	Master Single Payment Vendor	Refunds	102.08
271423	Master Single Payment Vendor	Refunds	80.97
271424	Master Single Payment Vendor	Refunds	18.12
271425	Master Single Payment Vendor	Refunds	98.51
271426	Master Single Payment Vendor	Refunds	68.55
271427	Master Single Payment Vendor	Refunds	106.12
271428	Master Single Payment Vendor	Refunds	58.84
271429	Master Single Payment Vendor	Refunds	164.59
271430	Master Single Payment Vendor	Refunds	167.79
271431	Master Single Payment Vendor	Refunds	37.48
271432	Master Single Payment Vendor	Refunds	46.83
271433	Master Single Payment Vendor	Refunds	136.36
271434	Master Single Payment Vendor	Refunds	121.52
271435	Master Single Payment Vendor	Refunds	163.53
271436	Master Single Payment Vendor	Refunds	161.83
271437	Master Single Payment Vendor	Refunds	98.35
271438	Master Single Payment Vendor	Refunds	79.34
271439	Master Single Payment Vendor	Refunds	258.54

# PAYMENTS FOR SEPTEMBER, 2023

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<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
271440	Master Single Payment Vendor	Refunds	143.99
271441	Master Single Payment Vendor	Refunds	100.16
271442	Master Single Payment Vendor	Refunds	103.39
271443	Master Single Payment Vendor	Refunds	184.91
271444	Master Single Payment Vendor	Refunds	135.25
271445	Master Single Payment Vendor	Refunds	23.17
271446	Master Single Payment Vendor	Refunds	122.45
271447	Master Single Payment Vendor	Refunds	42.80
271448	Master Single Payment Vendor	Refunds	38.28
271449	Master Single Payment Vendor	Refunds	164.21
271450	Master Single Payment Vendor	Refunds	46.41
271451	Master Single Payment Vendor	Refunds	352.53
271452	Master Single Payment Vendor	Refunds	15.30
271453	Master Single Payment Vendor	Refunds	80.83
271454	Master Single Payment Vendor	Refunds	79.63
271455	Master Single Payment Vendor	Refunds	596.64
271456	Master Single Payment Vendor	Refunds	98.97
271457	Master Single Payment Vendor	Refunds	39.37
271458	Master Single Payment Vendor	Unclaimed Refunds	93.51
271459	Master Single Payment Vendor	Refunds	24.28
271460	Master Single Payment Vendor	Refunds	177.08
271461	Master Single Payment Vendor	Refunds	102.28
271462	Master Single Payment Vendor	Refunds	191.59
271463	Master Single Payment Vendor	Refunds	110.65
271464	Master Single Payment Vendor	Refunds	142.29
271465	Master Single Payment Vendor	Refunds	23.24
271466	Master Single Payment Vendor	Refunds	285.75
271467	Master Single Payment Vendor	Refunds	162.60
271468	Master Single Payment Vendor	Refunds	49.72
271469	Master Single Payment Vendor	Refunds	98.20
271470	Master Single Payment Vendor	Refunds	194.71
271471	Master Single Payment Vendor	Refunds	38.13
271472	Master Single Payment Vendor	Refunds	65.51
271473	Master Single Payment Vendor	Refunds	96.00
271474	Master Single Payment Vendor	Refunds	98.33
271475	Master Single Payment Vendor	Refunds	34.99
271476	Master Single Payment Vendor	Refunds	10.90
271477	Master Single Payment Vendor	Refunds	80.77
271478	Master Single Payment Vendor	Refunds	24.33
271479	Master Single Payment Vendor	Refunds	42.53
271480	Master Single Payment Vendor	Refunds	48.58
271481	Master Single Payment Vendor	Refunds	160.04
271482	Master Single Payment Vendor	Refunds	60.06
271483	Master Single Payment Vendor	Refunds	156.18
271484	Master Single Payment Vendor	Refunds	76.74
271485	Master Single Payment Vendor	Refunds	238.50
271486	Master Single Payment Vendor	Refunds	35.60
271487	Master Single Payment Vendor	Refunds	44.95
271488	Master Single Payment Vendor	Refunds	108.36
271489	Master Single Payment Vendor	Refunds	86.79
271490	Master Single Payment Vendor	Refunds	141.37
271491	Master Single Payment Vendor	Refunds	70.21
271492	Master Single Payment Vendor	Refunds	55.75
271493	Master Single Payment Vendor	Refunds	66.95
271494	Master Single Payment Vendor	Refunds	54.26
271495	Master Single Payment Vendor	Refunds	53.03
271496	Master Single Payment Vendor	Refunds	112.93

# PAYMENTS FOR SEPTEMBER, 2023

PeopleSoft Financials

Report ID: DWAPR002.sqr

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
271497	Master Single Payment Vendor	Refunds	194.41
271498	Master Single Payment Vendor	Refunds	61.21
271499	Master Single Payment Vendor	Refunds	105.06
271500	Master Single Payment Vendor	Refunds	32.76
271501	Master Single Payment Vendor	Refunds	53.47
271502	Accurate Hydraulics & Machine Serv., Inc	Purchased Services	90.00
271503	Acme Tools	Inventory	101.41
271504	Ahlers, Cooney, PC	Legal Fees	825.00
271505	Amazon Capital Services Inc	Materials & Supplies	590.50
271506	Armored Knights., Inc	Purchased Services	536.80
271507	Arnold Motor Supply	Vehicle Maintenance Materials	9.99
271508	Baker Group	Contractors	1,320.40
271509	CTI Ready Mix	Concrete	2,075.00
271510	Canon Financial Services INC	Printing & Copies	1,952.26
271511	Capital Sanitary Supply	Inventory	518.70
271512	Carla Schumacher	Mileage	478.96
271513	Carquest	Vehicle Maintenance Materials	936.92
271514	Christopher Mlynarik	Safety Boots & Mileage	171.99
271515	City of Des Moines	Contractors	160.00
271516	Cody Lee	Safety Boots	181.89
271517	Commercial Supply Co	Inventory	59.70
271518	Construction & Aggregate Products, Inc.	Materials & Supplies	351.89
271519	Cooper Siddell	Safety Glasses	67.58
271520	Davis Equipment Corporation	Vehicle Maintenance Materials	1,216.32
271521	Doors, Inc.	Materials & Supplies	64.00
271522	Dylan Wingerson	Safety Boots	25.66
271523	Fastenal Company	Materials & Supplies	2.47
271524	First Choice Coffee	Food & Beverages	58.00
271525	Force Fitters	Employee Job Costs	203.00
271526	George Lawrence	Licenses & Certifications	72.00
271527	Grainger, Inc.	Inventory	1,398.30
271528	Graybar Electric Company	Inventory	890.91
271529	HY-VEE	Food & Beverages	336.65
271530	Heartland Business Systems	Purchased Services	1,192.00
271531	Image Solutions	Employee Job Costs	343.04
271532	Indelco Plastics	Inventory	177.17
271533	International Foundation of Employee	Dues and Memberships	325.00
271534	Iowa Mediation Service	Training	300.00
271535	Iowa Prison Industries	Materials & Supplies	385.00
271536	Jackson Miller	Safety Boots & Safety Clothing	242.39
271537	Jason Turner	Safety Boots	87.41
271538	Jessica Barnett	Materials & Supplies	254.62
271539	Jo Brouwer	Materials & Supplies	89.34
271540	Julia Johnston	Safety Boots	53.14
271541	MSC Industrial Supply Company	Inventory	15.02
271542	MTI Distributing	Materials & Supplies	265.23
271543	Mail Services LLC	Postage	606.66
271544	McMaster-Carr Supply Company	Inventory	2,296.31
271545	Mead O'Brien, Inc.	Inventory	376.69
271546	Michelle Cole	Materials & Supplies	165.00
271547	Mickinen Miller	Safety Clothing	142.14
271548	Mid American Energy	Utilities - Electric & Natural Gas	1,501.23
271549	Midwest Wheel Companies	Vehicle Maintenance Materials	733.84
271550	Mike Adams	Safety Boots	128.34
271551	Ottson Oil Company	Inventory	121.09
271552	Oxford Tree Service	Contractors	600.00
271553	Premier Safety	Inventory	464.50

# PAYMENTS FOR SEPTEMBER, 2023

PeopleSoft Financials

Report ID: DWAPR002.sqr

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
271554	Propio Language Services	Purchased Services	1,096.85
271555	Protex Central, Inc.	Contractors	225.00
271556	Restek Corporation	Materials & Supplies	257.50
271557	Revenue Advantage	Purchased Services	950.00
271558	Sprayer Specialties, Inc.	Materials & Supplies	481.80
271559	Star Equipment, Ltd.	Vehicle Maintenance Materials	673.60
271560	Stivers	Vehicle Maintenance Materials	1,601.96
271561	Sweco/Pearson Arnold	Inventory	2,082.59
271562	TForce Freight	Delivery/Freight	374.07
271563	TK Elevator Corporation	Purchased Services	574.97
271564	Total Tool	Inventory	454.87
271565	Truck Center Companies	Vehicle Maintenance Materials	43.23
271566	UPHDM Occupational Medicine	Purchased Services	576.00
271567	USA Bluebook	Materials & Supplies	2,197.27
271568	United Seeds, Inc.	Park Materials	245.00
271569	VWR International LLC	Materials & Supplies	54.68
271570	Van Meter Industrial, Inc.	Materials & Supplies	225.69
271571	Verizon Connect Telo, Inc.	Vehicle Maintenance Materials	2,014.20
271572	Waste Solutions of Iowa	Purchased Services	1,322.00
271573	West Des Moines Water Works	Sewer	110.03
271574	Air Products	Inventory	5,847.89
271575	Allender Butzke Engineers Inc.	Contractors	4,600.00
271576	Bonnie's Barricades	Contractors	3,841.30
271577	Calgon Carbon Kuraray	Inventory	62,080.00
271578	Central Pump and Motor	Contractors	55,003.17
271579	Central States Group	Materials & Supplies	30,239.86
271580	Cintas	Purchased Services	5,540.20
271581	Combined Systems Technology, Inc.	Materials & Supplies	8,429.75
271582	Dixie Petro-Chem, Inc.	Inventory	9,039.53
271583	Douglas K. Oscarson	Consultants	2,664.00
271584	FBG Services	Purchased Services	23,376.00
271585	HDR Engineering	Contractors	42,470.90
271586	Hach Chemical Company	Materials & Supplies	2,994.90
271587	Henkel Construction Company	Contractors	5,666.41
271588	IP Pathways, LLC	Data Processing Equipment	3,543.71
271589	Kemetco Research Inc	Materials & Supplies	5,700.00
271590	Kemira Water Solutions, Inc	Inventory	12,549.42
271591	Layne Christensen Company	Contractors	54,869.80
271592	Midwest Office Technology, Inc.	Printing & Copies	2,751.09
271593	Mississippi Lime Company	Inventory	91,490.56
271594	Municipal Supply, Inc.	Inventory	5,331.02
271595	Neptune Technology Group Inc	Inventory	37,216.00
271596	Phoenix Security Contractors, LLC	Purchased Services	46,170.48
271597	Plumb Supply Company	Inventory	3,408.38
271598	Power Seal	Inventory	3,281.86
271599	Ramco Innovations	Materials & Supplies	2,910.31
271600	Renewable Energy Group	Inventory	39,350.38
271601	Scotty's Body Shop, Inc.	Purchased Services	3,445.35
271602	Voided Check		0.00
271603	WRH, Inc.	Contractors	171,736.25
271604	Wellmark Blue Cross & Blue Shield of IA	Group Insurance Premiums	25,102.70
271605	Woodberry Associates, LLC	Consultants	7,500.00
271606	Master Single Payment Vendor	Refunds	96.65
271607	Master Single Payment Vendor	Refunds	58.76
271608	Master Single Payment Vendor	Refunds	27.96
271609	Master Single Payment Vendor	Refunds	78.46
271610	Master Single Payment Vendor	Refunds	161.81

# PAYMENTS FOR SEPTEMBER, 2023

PeopleSoft Financials

Report ID: DWAPR002.sqr

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
271611	Master Single Payment Vendor	Refunds	167.02
271612	Master Single Payment Vendor	Refunds	945.79
271613	Master Single Payment Vendor	Refunds	176.65
271614	Master Single Payment Vendor	Refunds	47.78
271615	Master Single Payment Vendor	Refunds	103.52
271616	Master Single Payment Vendor	Refunds	198.66
271617	Master Single Payment Vendor	Unclaimed Refunds	102.06
271618	Master Single Payment Vendor	Refunds	135.54
271619	Master Single Payment Vendor	Refunds	197.67
271620	Master Single Payment Vendor	Refunds	131.83
271621	Master Single Payment Vendor	Refunds	80.79
271622	Master Single Payment Vendor	Refunds	266.47
271623	Master Single Payment Vendor	Refunds	29.49
271624	Master Single Payment Vendor	Refunds	162.77
271625	Master Single Payment Vendor	Refunds	533.26
271626	Master Single Payment Vendor	Refunds	477.41
271627	Master Single Payment Vendor	Refunds	49.79
271628	Master Single Payment Vendor	Refunds	18.38
271629	Master Single Payment Vendor	Refunds	26.87
271630	Master Single Payment Vendor	Refunds	49.53
271631	Master Single Payment Vendor	Refunds	127.24
271632	Master Single Payment Vendor	Refunds	158.88
271633	Master Single Payment Vendor	Refunds	67.39
271634	Master Single Payment Vendor	Refunds	202.28
271635	Master Single Payment Vendor	Refunds	150.01
271636	Master Single Payment Vendor	Refunds	132.73
271637	Master Single Payment Vendor	Refunds	56.72
271638	Voided Check		0.00
271639	Master Single Payment Vendor	Refunds	77.89
271640	Master Single Payment Vendor	Refunds	60.07
271641	Master Single Payment Vendor	Refunds	144.39
271642	Master Single Payment Vendor	Refunds	192.06
271643	Acme Tools	Materials & Supplies	595.24
271644	Agriland FS, Inc	Natural Gas	110.00
271645	Airgas North Central	Tools	232.42
271646	Allied Instrumentation	Inventory	796.90
271647	Amazon Capital Services Inc	Materials & Supplies	936.88
271648	American Plumbing Supply Co.	Materials & Supplies	49.90
271649	Bentley Ridge Tree Farm	Park Materials	83.00
271650	Bob Brown Chevrolet, Inc.	Vehicle Maintenance Materials	289.91
271651	CIT Charters	Contractors	660.00
271652	CONTECH ENGINEERED SOLUTIONS	Materials & Supplies	54.28
271653	Canon Financial Services INC	Printing & Copies	1,175.70
271654	Capital Sanitary Supply	Inventory	205.70
271655	Cintas	Purchased Services	1,469.52
271656	City Supply Corporation	Materials & Supplies	965.74
271657	City of Des Moines	Contractors	1,240.00
271658	Combined Systems Technology, Inc.	Materials & Supplies	1,091.54
271659	Commercial Supply Co	Inventory	310.00
271660	Construction & Aggregate Products, Inc.	Inventory	528.00
271661	Consumer Energy	Electrical Power	334.06
271662	Contract Specialty, L.C.	Park Materials	210.58
271663	Copy Systems, Inc.	Printing & Copies	24.96
271664	Core and Main	Inventory	1,204.62
271665	Corrosion Fluid Products	Inventory	1,130.15
271666	DMACC	Training	534.00
271667	Delta Dental of Iowa	Vision Withholding	1,183.44

# PAYMENTS FOR SEPTEMBER, 2023

PeopleSoft Financials

Report ID: DWAPR002.sqr

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
271668	Des Moines Register	Advertising	2,221.42
271669	Electrical Engineering & Equipment Co.	Inventory	200.83
271670	Fastenal Company	Inventory	822.24
271671	First Choice Coffee	Food & Beverages	365.00
271672	Grainger, Inc.	Inventory	773.64
271673	HR Green	Contractors	2,344.50
271674	Hach Chemical Company	Inventory	1,056.69
271675	Hilltop Tire Services	Vehicle Maintenance Materials	299.98
271676	IDEXX Laboratories, Inc.	Materials & Supplies	2,127.76
271677	Jessica Barnett	Licenses & Certifications	67.00
271678	Keystone Laboratories	Purchased Services	88.50
271679	Lindsey Wanderscheid	Licenses & Certifications	83.54
271680	MSC Industrial Supply Company	Inventory	200.32
271681	McClure Engineering Company	Contractors	2,157.90
271682	McMaster-Carr Supply Company	Materials & Supplies	2,465.75
271683	Nichols Equipment LLC	Contractors	178.50
271684	P & P Small Engines, Inc.	Materials & Supplies	61.97
271685	Plumb Supply Company	Inventory	917.35
271686	Pollard Company	Inventory	115.62
271687	Premier Safety	Inventory	1,272.11
271688	Protex Central, Inc.	Contractors	1,977.24
271689	Railroad Management Company IV LLC	Purchased Services	623.74
271690	Reams Sprinkler Supply	Materials & Supplies	29.17
271691	Richard Martinez Vega	Safety Boots	154.07
271692	Seneca Companies	Contractors	1,057.14
271693	Servicemaster Commercial Carpet, Inc.	Purchased Services	924.00
271694	Siemens Industry Inc. c/oJasper eng	Materials & Supplies	1,517.00
271695	Strauss Security Solutions	Materials & Supplies	112.00
271696	Subsurface Solutions	Distribution Equipment	334.37
271697	Todd Monson	Safety Boots & Safety Clothing	198.79
271698	Total Tool	Inventory	1,716.42
271699	True North Controls	Inventory	543.00
271700	U.S. Autoforce	Vehicle Maintenance Materials	991.80
271701	ULINE	Inventory	78.26
271702	UPS	Delivery/Freight	33.04
271703	UPS	Delivery/Freight	224.90
271704	United Rentals	Materials & Supplies	1,270.85
271705	VWR International LLC	Inventory	30.00
271706	Waste Management of Iowa Inc.	Purchased Services	472.38
271707	Whatcha Smokin BBQ & Brew	Food & Beverages	200.00
271708	White Cap	Inventory	59.88
271709	Ziegler Inc.	Contractors	400.02
271710	Aclara Technologies, LLC	Inventory	78,461.64
271711	Air Products	Inventory	5,832.15
271712	Allender Butzke Engineers Inc.	Contractors	2,712.70
271713	CTI Ready Mix	Concrete	6,742.50
271714	Calgon Carbon Kuraray	Inventory	127,488.00
271715	Carus Chemical	Inventory	58,266.00
271716	DXP	Inventory	3,744.39
271717	Dickinson, Mackaman, Tyler, & Hagen, PC	Legal Fees	12,188.00
271718	Dixie Petro-Chem, Inc.	Inventory	37,003.35
271719	Douglas K. Oscarson	Consultants	2,664.00
271720	Elder Corporation	Contractors	3,737.50
271721	Gold Standard Diagnostics	Inventory	5,206.34
271722	Graybar Electric Company	Materials & Supplies	3,705.98
271723	I'll Do It	Contractors	19,768.00
271724	IXOM Watercare Inc	Purchased Services	8,000.00

# PAYMENTS FOR SEPTEMBER, 2023

PeopleSoft Financials

Report ID: DWAPR002.sqr

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
271725	Iowa Contracting Inc	Asphalt	26,949.00
271726	JMT Trucking	Contractors	15,833.13
271727	Kemira Water Solutions, Inc	Inventory	63,048.42
271728	Kinzler Construction Services	Contractors	7,690.00
271729	Mid American Energy	Utilities - Electric & Natural Gas	317,292.45
271730	Mississippi Lime Company	Inventory	80,385.84
271731	Municipal Supply, Inc.	Inventory	10,693.90
271732	Nite Owl Printing	Materials & Supplies	2,632.32
271733	Principal Life Insurance	Pension Plan Contribution	244,908.00
271734	Raftelis	Consultants	55,931.25
271735	Reppert Rigging & Hauling Co.	Contractors	2,825.00
271736	Snyder & Associates, Inc.	Contractors	108,302.89
271737	Synagro Central, LLC	Contractors	95,258.82
271738	US Army Corps of Engineers	Purchased Services	6,780.00
271739	USA Bluebook	Distribution Equipment	5,601.17
271740	Univar	Inventory	9,126.26
271741	Veolia WTS USA Inc.	Inventory	32,319.00
271742	Voya Financial	Insurance Withholding	8,999.53
271743	Weave Filtration	Inventory	3,530.19
271744	Sid Dillon Chevrolet	Vehicle Maintenance Materials	70,249.00
271745	Master Single Payment Vendor	Unclaimed Refunds	164.76
271746	Master Single Payment Vendor	Refunds	153.42
271747	Master Single Payment Vendor	Refunds	9.89
271748	Master Single Payment Vendor	Unclaimed Refunds	175.33
271749	Master Single Payment Vendor	Unclaimed Refunds	149.44
271750	Master Single Payment Vendor	Refunds	53.91
271751	Master Single Payment Vendor	Refunds	50.78
271752	Master Single Payment Vendor	Unclaimed Refunds	172.26
271753	Master Single Payment Vendor	Unclaimed Refunds	153.50
271754	Master Single Payment Vendor	Refunds	114.94
271755	Master Single Payment Vendor	Refunds	171.68
271756	Master Single Payment Vendor	Refunds	175.33
271757	Master Single Payment Vendor	Refunds	123.11
271758	Master Single Payment Vendor	Refunds	208.22
271759	Master Single Payment Vendor	Refunds	154.10
271760	Master Single Payment Vendor	Refunds	811.06
271761	Master Single Payment Vendor	Refunds	44.87
271762	Master Single Payment Vendor	Unclaimed Refunds	418.17
271763	Master Single Payment Vendor	Refunds	55.58
271764	Master Single Payment Vendor	Refunds	141.18
271765	Master Single Payment Vendor	Refunds	135.86
271766	Master Single Payment Vendor	Refunds	36.28
271767	Master Single Payment Vendor	Refunds	188.28
271768	Master Single Payment Vendor	Refunds	73.27
271769	Master Single Payment Vendor	Refunds	162.43
271770	Master Single Payment Vendor	Unclaimed Refunds	159.44
271771	Acme Tools	Tools	563.27
271772	Allender Butzke Engineers Inc.	Contractors	382.14
271773	Allied Electronics	Inventory	126.16
271774	Amazon Capital Services Inc	Materials & Supplies	1,323.65
271775	Arnold Motor Supply	Vehicle Maintenance Materials	3.84
271776	Baldwin Supply Company	Inventory	96.58
271777	Baratta's	Food & Beverages	646.25
271778	Bearing Headquarters Company	Inventory	1,455.45
271779	Beeline Blue	Printing & Copies	866.65
271780	Blackburn Manufacturing Company	Inventory	478.81
271781	CFI Tire Service	Purchased Services	400.42

# PAYMENTS FOR SEPTEMBER, 2023

PeopleSoft Financials

Report ID: DWAPR002.sqr

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
271782	Capital City Equipment Company	Vehicle Maintenance Materials	244.07
271783	Capital Sanitary Supply	Inventory	490.92
271784	Commercial Supply Co	Inventory	367.68
271785	Construction & Aggregate Products, Inc.	Vehicle Maintenance Materials	2,035.04
271786	Core and Main	Inventory	1,496.79
271787	Corell Recycling	Materials & Supplies	1,026.90
271788	Cortrol Process Systems	Inventory	948.19
271789	Dultmeier Sales LLC	Inventory	300.44
271790	Electrical Engineering & Equipment Co.	Inventory	1,354.14
271791	Electronic Engineering Company	Purchased Services	1,360.00
271792	Fastenal Company	Inventory	1,961.65
271793	Fire Hose Direct	Materials & Supplies	930.51
271794	Fisher Scientific	Materials & Supplies	369.78
271795	Force Fitters	Employee Job Costs	553.50
271796	Garratt-Callahan Company	Contractors	525.00
271797	Gilcrest Jewett Lumber Company	Inventory	225.65
271798	Graybar Electric Company	Inventory	1,054.18
271799	Hawkins Water Treatment Group	Inventory	708.50
271800	Home City Ice	Park Materials	440.00
271801	I & S Group, Inc.	Contractors	1,952.50
271802	Illinois Mutual & Life Casualty Company	Insurance Withholding	17.81
271803	Indelco Plastics	Inventory	1,567.95
271804	Industrial Scientific Corporation	Dues and Memberships	2,315.03
271805	Iowa Contracting Inc	Asphalt	1,344.00
271806	Iowa Department of Natural Resources	Purchased Services	115.00
271807	Iowa Department of Natural Resources	Purchased Services	115.00
271808	Iowa Prison Industries	Park Materials	27.00
271809	Jeff Mitchell	Materials & Supplies	549.97
271810	Jonathan Mouw	Safety Boots	201.39
271811	Keystone Laboratories	Purchased Services	177.00
271812	Lawson Products, Inc.	Inventory	295.20
271813	Logan Contractors Supply, Inc.	Inventory	16.38
271814	MSC Industrial Supply Company	Inventory	632.83
271815	McMaster-Carr Supply Company	Inventory	775.34
271816	Menard's	Materials & Supplies	24.75
271817	Menard's	Materials & Supplies	270.39
271818	Merrill Axle & Wheel Service, Inc.	Purchased Services	99.95
271819	Michael Argenta	Safety Boots	200.00
271820	Midwest Office Technology, Inc.	Printing & Copies	35.57
271821	Midwest Wheel Companies	Tools	1,078.07
271822	O'Reilly Auto Parts	Vehicle Maintenance Materials	110.23
271823	Plumb Supply Company	Inventory	2,104.55
271824	Postmaster	Postage	310.00
271825	Premier Safety	Inventory	392.11
271826	Protex Central, Inc.	Contractors	124.00
271827	Raygun	Materials & Supplies	592.00
271828	Roger Patterson	Safety Glasses	375.00
271829	Roy's Towing and Recovery	Purchased Services	705.00
271830	S & H Electric	Vehicle Maintenance Materials	225.00
271831	Schimberg	Materials & Supplies	1,439.11
271832	Sherwin Williams	Materials & Supplies	236.01
271833	Sherwin Williams	Vehicle Maintenance Materials	113.01
271834	Smith's Sewer Service Inc.	Contractors	250.00
271835	Star Equipment, Ltd.	Inventory	1,247.96
271836	Stivers	Purchased Services	1,725.97
271837	Subsurface Solutions	Distribution Equipment	749.96
271838	Taylor Gruis	Safety Boots	182.96



# PAYMENTS FOR SEPTEMBER, 2023

PeopleSoft Financials

Report ID: DWAPR002.sqr

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
271839	The Filter Shop	Inventory	132.20
271840	Tompkins Industries, Inc.	Vehicle Maintenance Materials	18.70
271841	Total Tool	Inventory	964.89
271842	True North Controls	Materials & Supplies	417.00
271843	UPS	Delivery/Freight	10.01
271844	USA Safety Supply Corp	Inventory	61.55
271845	United Seeds, Inc.	Park Materials	1,140.00
271846	VWR International LLC	Inventory	370.78
271847	Van-Wall Group	Vehicle Maintenance Materials	153.00
271848	Waldinger Corporation	Contractors	243.25
271849	Waste Management of Iowa Inc.	Purchased Services	1,949.60
271850	White Cap	Inventory	104.76
271851	Whitfield's Lawn & Garden	Contractors	225.00
271852	Air Products	Inventory	5,494.35
271853	Aspen Equipment	Vehicle Maintenance Materials	4,011.59
271854	Bankers Trust Company	Corporate Credit Card	13,388.19
271855	Bonnie's Barricades	Contractors	6,342.80
271856	CTI Ready Mix	Concrete	4,790.00
271857	Calgon Carbon Kuraray	Inventory	64,608.00
271858	Carus Chemical	Inventory	56,836.00
271859	Cintas	Purchased Services	2,997.50
271860	City Supply Corporation	Materials & Supplies	7,128.80
271861	Consolidated Water Solutions	Inventory	30,273.51
271862	Dixie Petro-Chem, Inc.	Inventory	27,649.99
271863	Douglas K. Oscarson	Consultants	2,641.80
271864	Excell Mechanical, Inc.	Materials & Supplies	8,525.00
271865	Grainger, Inc.	Inventory	3,388.90
271866	Hydronic Energy, Inc.	Materials & Supplies	2,605.65
271867	JMT Trucking	Contractors	11,687.01
271868	Kemira Water Solutions, Inc	Inventory	24,914.70
271869	Mail Services LLC	Postage	16,020.83
271870	Majestic Truck	Vehicle Maintenance Materials	76,085.85
271871	Mississippi Lime Company	Inventory	62,721.31
271872	Municipal Supply, Inc.	Inventory	14,130.95
271873	Murphy Tractor & Equipment	Vehicle Maintenance Materials	120,845.75
271874	Nate Todd Construction	Contractors	32,062.50
271875	Neptune Technology Group Inc	Inventory	16,634.37
271876	O'Halloran International	Purchased Services	7,741.39
271877	Pitney Bowes Inc.	Purchased Services	8,819.31
271878	Power Seal	Inventory	3,281.86
271879	Protectoplas Company	Materials & Supplies	13,742.22
271880	Selective Insurance	Prepaid Insurance	4,010.00
271881	Snyder & Associates, Inc.	Contractors	26,650.00
271882	Stanley Consultants	Contractors	5,182.25
271883	State Hygienic Laboratory	Purchased Services	5,651.50
271884	Strand Associates	Contractors	27,387.84
271885	Strauss Security Solutions	Materials & Supplies	6,634.00
271886	Superior Industrial Equipment	Materials & Supplies	86,071.93
271887	TK Elevator Corporation	Contractors	3,552.93
271888	Tension Envelope Corporation	Inventory	3,301.50
271889	Truck Equipment, Inc.	Vehicle Maintenance Materials	9,035.00
271890	USA Bluebook	Materials & Supplies	5,054.90
271891	Van Meter Industrial, Inc.	Materials & Supplies	4,748.22
271892	Verizon Wireless Messaging Service	Cell Phones	8,107.23
271893	Zimmer & Francescon	Materials & Supplies	11,108.37
282598	Treasurer State of Iowa	Iowa Water Excise Tax Payable	279,021.69
879356	ADP, LLC	Purchased Services	7,686.55

**PAYMENTS FOR SEPTEMBER, 2023**

PeopleSoft Financials

Report ID: DWAPR002.sqr

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
090123	EBS	Employee Health Premiums	313,682.32
090123	Collection Services Center	Garnishment of Wages	2,025.23
090123	Treasurer State of Iowa	State Withholding Taxes Payable	26,517.27
090123	Internal Revenue Service	Withholding Taxes Payable	181,302.46
091523	Collection Services Center	Garnishment of Wages	2,025.23
091523	Treasurer State of Iowa	State Withholding Taxes Payable	30,308.57
091523	Internal Revenue Service	Withholding Taxes Payable	202,848.48
092993	Collection Services Center	Garnishment of Wages	2,025.23
092993	Treasurer State of Iowa	State Withholding Taxes Payable	27,369.56
092993	Internal Revenue Service	Withholding Taxes Payable	183,399.78
093023	EBS	Employee Health Premiums	22,709.98
<b>TOTAL</b>			<b><u>\$7,713,866.35</u></b>

CEO APPROVED EXPENDITURES GREATER THAN \$40,000  
MONTHLY SCHEDULE FOR THE MONTH OF SEP 2023

Check #	Vendor	Description	Amount	Details
	none			

## AGENDA ITEM FORM

**SUBJECT: 2024 Corporate Insurance**

**SUMMARY:**

The renewal date for corporate insurance policies is November 1, 2024. 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	\$239,262	\$285,728
• Equipment	15,472	15,472
• Inland Marine	22,992	26,014
• General Liability	268,592	296,315
• Auto Liability	65,849	78,329
• Packaged Terrorism Premium	8,137	9,394
• Umbrella Liability	337,985	366,099
• Crime	3,200	3,995
• D & O/Employment Practices Liability	57,702	62,463
• Fiduciary Liability	5,916	5,916
• Cyber Liability	75,898	80,220
• Flood	4,395	4,010
• Workers Compensation	121,960	114,485
• Broker Service Fee	<u>20,000</u>	<u>20,000</u>
Total Cost	\$1,247,361	\$1,368,441

**FISCAL IMPACT:**

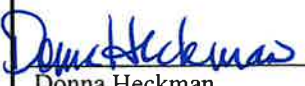


Funds for these policies have been budgeted in the Financial Services work plan in the 2024 budget.

**RECOMMENDED ACTION:**

Accept insurance program renewal submitted by Assured Partners.

**BOARD REQUIRED ACTION:**

Motion to accept insurance program renewal submitted by Assured Partners.


 Donna Heckman Sr. Financial Analyst	 Amy Kahler, CPA Chief Financial Officer	 Ted Corrigan CEO and General Manager
10/24/23 (date)	10/24/23 (date)	10/30/23 (date)

Attachments: Memo from Donna Heckman, Sr. Financial Analyst; AssurePartners Market Report.

**MEMORANDUM**

DATE: October 23, 2023

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

FROM: Donna Heckman, Senior Financial Analyst 

SUBJECT: 2024 Corporate Insurance Renewals

On an annual basis, our broker Assured Partners works with our current insurance carriers to keep our premiums as low as possible. As you'll see in the attached Market Report prepared by Assured, Q2-2023 marked the 23<sup>rd</sup> consecutive quarter of insurance premium increases. The average increase across all lines was 8.9% with commercial property having the highest increase at an average of 18.3%. Our overall premium increase was 9.7% (compared to 8.9%) while the renewal of our Property & Casualty coverage saw an increase of approximately 15% (compared to 18.3%).

**Property & Casualty:** Our P&C coverages are bundled with Cincinnati as the carrier. The chart below represents the total expiring and renewing premiums.

	Expiring	Renewal
Property	239,262	285,728
Equipment	15,472	15,472
Inland Marine	22,992	26,014
General Liability	268,592	296,315
Automobile	65,849	78,329
Terrorism Premium	8,137	9,394
	<b>620,304</b>	<b>711,252</b>

**Cyber Liability:** After a 32% increase in our premium last year, our current year renewal is 6% increase. Our IT Department contracts with a regional security partner to provide Virtual Chief Information Security Officer (vCISO) services. A vCISO is a service commonly utilized by mid-sized corporations to provide and assist with cybersecurity frameworks, risk management and overall cybersecurity resilience.

**Workers Compensation:** Since 2014, DMWW has been self-insured for Workers Compensation. We are in the second year of a two-year term with Midwest Employers Casualty Corp (MECC) for our excess Workers Compensation Liability Policy. This policy protects DMWW against catastrophic losses.

**Summary:** Attached is the current premium summary comparing expiring and renewal rates. The total cost of renewing our coverage will be an increase of 9.71%, from \$1,247,361 to \$1,368,441 from 2023 to 2024. The 2024 Budget includes estimated corporate insurance costs of \$1,491,500.



POWER

*through Partnership*

## COMMERCIAL PROPERTY & CASUALTY MARKET REPORT Q2-2023

Q2 2023 was the 23<sup>rd</sup> consecutive quarter of insurance premium increases. The average increase was 8.9% across all coverage lines with commercial property having the highest reported increase at an average of 18.3%. This was due to the rise in property values (as a result of inflation and ongoing supply chain issues), continued losses from natural disasters, and issues with reinsurance capacity. Cyber premiums were a small bright spot, increasing by only 3.6% this quarter, making this the strongest sign of relief on the cyber coverage line thus far.

Workers' compensation achieved its 6th consecutive quarter of decreases, down 0.7% for Q2 2023. Commercial auto, however, recorded an increase of 10.4%, marking a milestone of 50 consecutive quarters of premium increases on this coverage line. Commercial Auto will be a coverage line to watch in upcoming quarters as insurance companies continue to experience heavy losses on this line. Insurance buyers should plan for increased auto rates at future renewals. Overall, the ongoing hard market has caused insurance buyers to experience significant "rate fatigue," leading to them purchase lower limits or increase their deductibles in order to keep premiums down.

# COMMERCIAL P&C MARKET REPORT

The Q1 2023 CIAB Commercial Property/Casualty Market Index revealed the following:

- **8.9%:** Average premium increase across all account sizes
- **18.3%:** Average commercial property premium increase
- **23:** Number of consecutive quarters of increased premiums for all account sizes
- **9.8%:** Average increase in premiums for medium accounts, higher than large accounts (9.7%) and small accounts (7.2%)
- **8.3%:** Average increase across all major lines of business
- **50:** Number of consecutive quarters for commercial auto premium increases

## Commercial Property

According to a report by Swiss Re, natural catastrophe losses came in the form of multiple severe thunderstorms that accounted for insured losses of around \$34B (in the U.S. alone) during the first half of 2023. These storms accounted for nearly 70% of global insured natural catastrophe losses in that time period and the highest-ever insured losses in a six-month period. Thus far in 2023, insured losses are almost twice as high as the annual average natural catastrophe losses over the last ten years (\$18.4B).

These losses have contributed to carriers pulling back on underwriting commercial property—especially coastal property, which is now difficult to place in standard markets. Some carriers continue to push for property value increases, despite inflation falling to less than 4% in Q2-23. The bottom line is that we do not expect price relief to come on this coverage line in the near-term. Insureds should plan for continued premium increases on their commercial property coverage.

## Cyber

Results from the CIAB Q2 survey showed that only 22% of respondents reported an increase in cyber claims—down from 39% last quarter and down from 72% at the beginning of 2022. Success at mitigating cyber losses could be contributing to renewed interest in underwriting this line and to less severe premium increases. We expect underwriters to continue their focus on strong cyber controls, including segregated back-up solutions, next-gen virus protection with EDR, email filtering, MFA for privileged accounts and remote network access, and routine phishing training for employees. For insureds who do not have strong controls, we expect to see sub-limits for certain coverages (e.g. ransomware) and/or co-participation requirements.



**AGENDA ITEM FORM**

**SUBJECT: Receive and File Cost of Service Report**

**SUMMARY:**

At the recommendation of Raftelis, DMWW has been using a forward-looking revenue requirements Cost of Service model. Staff has input the proposed 2024 budget into the Raftelis Cost of Service model. The result of that analysis is the basis for the 2024 rate setting discussions and was the basis for rates presented at the October 2023 Finance & Audit Committee Meeting.

Staff has prepared an executive summary report of the cost of service results using the 2024 budget numbers. Figure 14 summarizes the cost of service (budget) and anticipated revenues (rates) by service area. 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. While we use actual peaking data for each wholesale customer, the model uses a calculated peak day to allocate costs to the retail and full service customer classes.

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

**FISCAL IMPACT:**



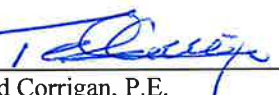
None.

**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
<u>10/24/23</u> (date)	<u>10/24/23</u> (date)	<u>10/30/23</u> (date)

Attachments: 2024 Water Cost of Service Study

# Des Moines Water Works

## Water Cost of Service Study

Based upon proposed 2024 Budget

Draft Report / September 26, 2023

# Table of Contents

Introduction.....4

COST OF SERVICE .....5

Revenue Requirements.....5

Step 1: Determine Units of Service .....7

Step 2: Allocate Costs to Functions .....12

Step 3: Allocate Functionalized Costs to Cost Components.....15

Step 4: Determine Unit Cost of Service .....18

Step 5: Determine Revenue Requirements by Customer Class .....23

Cost of Service Results.....23

GLOSSARY .....36

## List of Figures

Figure 1: FY 2024 Budget .....	5
Figure 2: Wholesale Peaking Factor .....	8
Figure 3: Units of Service .....	11
Figure 4: O&M Functionalization .....	13
Figure 5: Capital Asset Functionalization.....	14
Figure 6: System Peaking (MGD).....	15
Figure 7: Allocation of O&M to Cost Components .....	17
Figure 8: Allocation of Rate Base to Cost Components * .....	17
Figure 9: Allocation of Depreciation to Cost Components * .....	17
Figure 10: Unit Cost of Service .....	20
Figure 11: Cost of Service by Component.....	21
Figure 12: Reconciliation to Cash Basis.....	22
Figure 13: Class Cost of Service .....	25
Figure 14: Cost of Service Results .....	26
Figure 15: Des Moines Inside City .....	27
Figure 16: Des Moines Outside City .....	27
Figure 17: Polk County .....	28
Figure 18: Runnells .....	28
Figure 19: Cumming.....	28
Figure 20: Alleman .....	29
Figure 21: Pleasant Hill Inside City .....	29
Figure 22: Pleasant Hill Outside City .....	29
Figure 23: PCRWD#1 .....	30
Figure 24: Berwick.....	30
Figure 25: Windsor Heights.....	30
Figure 26: Altoona .....	31
Figure 27: Ankeny .....	31
Figure 28: Bondurant .....	32
Figure 29: Clive .....	32
Figure 30: Norwalk .....	32
Figure 31: Waukee.....	33
Figure 32: Urbandale.....	33
Figure 33: Warren Rural Water.....	33
Figure 34: West Des Moines Water Works .....	34
Figure 35: Xenia Rural Water District.....	34
Figure 36: Polk City .....	34
Figure 37: West Des Moines Water Works – w/ Storage.....	35
Figure 38: Johnston .....	35
Figure 39: Water Development Co.....	35

## INTRODUCTION

A Cost of Service Study (Study) is used 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. In the water industry, there are two generally accepted approaches to projecting revenue requirements: 1) cash-needs approach and 2) utility approach. With assistance from Raftelis, this study identifies revenue requirements using the utility approach and the 2024 budget as a “test year” (i.e., the annualized period for which costs are analyzed and rates established). This study allocates costs based on a widely adopted approach, known as the Base-Extra Capacity method, 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 2024 budget prepared by DMWW as a test year. **Figure 1** presents a summary of DMWW's FY 2024 budget. The adopted rates, set by DMWW to recover all forecasted expenses, will recover approximately \$84,800,000 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.

**Figure 1: FY 2024 Budget**

	<u>2024 Budget</u>
<b><u>Revenues</u></b>	
Rate Revenues	\$ 84,813,263
Other Revenues	4,821,000
<b>Total: Revenues</b>	<b><u>\$ 89,634,263</u></b>
<b><u>Expenses</u></b>	
O&M Expenses	\$ 60,876,241
<i>Less Fee Revenue in O&amp;M Projects</i>	<i>(3,258,216)</i>
<b>O &amp; M Funded thru Rate Revenue</b>	<b><u>\$ 57,618,025</u></b>
Capital Expenses	\$ 69,400,145
<i>Less Projects Funded by Others</i>	<i>(1,991,000)</i>
<i>Less Projects Funded by DMWW SRF Debt</i>	<i>(3,344,754)</i>
<i>Less Projects Funded by Carryover</i>	<i>(15,047,830)</i>
<i>Less Projects Funded by Regional Participation</i>	<i>(17,170,323)</i>
<b>Capital Funded Thru Rate Revenue</b>	<b><u>\$ 31,846,238</u></b>
<b>DMWW Debt Service</b>	<b>170,000</b>
<b>Total: Expenses</b>	<b><u>\$ 89,634,263</u></b>
<b>Surplus/(Deficit)</b>	<b>\$ -</b>

This study follows the *utility basis* to measure revenue requirements. Under the utility basis 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 each 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. 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.	Figures 2, 3
2	Allocate Costs to Functions	Operating and capital budgets are allocated to cost functions.	Figures 4, 5
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 6, 7, 8, 9

4	Determine Unit Cost of Service	Cost by unit of service is calculated.	Figure 10
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 projected rates.	Figures 11, 12, 13, 14

## 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 3** 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 maximum day demand is identified on an annual basis for each individual Purchased Capacity customer. Each Purchased Capacity customer's maximum day is compared to their average day usage to determine a peaking factor; this peaking factor is used to allocate maximum day extra capacity costs. Historical peaking factors and the five-year average are shown in **Figure 2**. The cost of service uses the five-year average to allocate costs.

**Figure 2: Wholesale Peaking Factor**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Average</u>
<u>Wholesale - Purchased Capacity</u>						
City of Altoona	13.38	0	0	0	42.253	11.126
City Of Ankeny	1.553	1.481	1.364	1.378	1.246	1.404
City Of Bondurant	1.545	1.609	1.677	1.590	1.618	1.608
City Of Clive	2.236	2.061	2.025	2.070	2.066	2.092
City Of Norwalk	2.228	2.024	1.932	2.346	2.494	2.205
City Of Polk City	3.317	2.470	2.196	2.204	2.431	2.524
Urbandale Water Utility	2.385	2.123	2.216	2.083	2.236	2.208
Warren Rural Water	1.619	1.506	1.433	1.647	1.868	1.615
City Of Waukee	2.223	2.136	1.888	1.954	1.857	2.012
West Dm Water Works	2.800	2.213	2.685	2.605	3.015	2.664
Xenia Rural Water	1.446	1.458	1.450	1.497	1.425	1.455
<u>Wholesale - With Storage</u>						
City of Johnston	2.622	2.380	2.171	2.111	2.127	2.282

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:

$$\gg \text{System Max Day to Average Day in Max Month} = \frac{\text{System Max Day Demand}}{\text{System Max Month} / 30}$$

- » 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 2024, 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 September 2022 (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 3** for all customer classes.

Using the Inside City Des Moines customer class as an example, approximately 5.9 million kgal (or 5.9 billion gallons) are projected to be used by customers annually in FY 2024. This equates to approximately 16,200 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 1.61 times their average day consumption, or around 26,100 kgal. The difference between the maximum day and average day, around 9,900 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 2024, less the maximum day demand (57,529 kgal – 26,161 kgal = 31,368 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 6,233 inch-miles of distribution pipe to allocate pipe units costs.

Figure 3: 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	Inch-Miles
	kgal	kgal		kgal	kgal		kgal	kgal			5/8" Eq.	
<b>Retail</b>												
Des Moines Inside City	5,918,988	16,216	1.61	26,161	9,945	3.55	57,529	31,368	69,199	830,388	107,439	6,233.14
Des Moines Outside City	290,430	796	2.86	2,276	1,480	6.30	5,013	2,737	1,173	14,076	1,513	306
DM Zoo Water Rate	28,419	78	2.07	161	83	4.42	344	183	2	24	2	-
<b>Subtotal: Retail</b>	6,237,837	17,090	1.66	28,437	11,508	3.68	62,886	34,288	70,374	844,488	108,954	6,539
<b>Full Service</b>												
Polk County	634,407	1,738	2.17	3,765	2,027	4.78	8,315	4,550	7,571	90,852	9,923	2,271
Runnells	8,114	22	1.61	36	14	3.53	79	43	211	2,532	228	23
Cumming	12,979	36	2.82	100	65	6.21	221	120	150	1,800	175	53
Alleman	9,735	27	1.63	43	17	3.58	95	52	177	2,124	320	53
Pleasant Hill Inside City	261,024	715	1.88	1,343	628	4.13	2,955	1,612	4,743	56,916	6,723	439
Pleasant Hill Outside City	704	2	2.66	5	3	5.84	11	6	5	60	5	1
PCRWD #1	24,338	67	1.91	127	61	4.21	281	153	468	5,616	488	52
Berwick Water	35,694	98	1.67	163	65	3.67	359	196	226	2,712	316	107
Windsor Heights	113,576	311	1.57	487	176	3.45	1,072	585	2,179	26,148	2,502	155
<b>Subtotal: Full Service</b>	1,100,571	3,015	2.01	6,071	3,055	4.44	13,388	7,317	15,730	188,760	20,680	3,153
<b>Subtotal: Full Service and Retail</b>	7,338,408	20,105	1.72	34,508	14,564	3.79	76,275	41,606	86,104	1,033,248	129,634	9,692
<b>Wholesale</b>												
Altoona	11,356	31	11.13	346	315	25.15	783	436	1	24		
Ankeny	2,156,342	5,908	1.40	8,295	2,387	3.64	21,523	13,229	1	72		
Bondurant	194,703	533	1.61	858	324	3.69	1,966	1,108	1	36		
Clive	684,708	1,876	2.09	3,924	2,048	4.88	9,161	5,236	1	108		
Norwalk	348,844	956	2.21	2,107	1,152	4.51	4,308	2,201	1	36		
Waukee	670,106	1,836	2.01	3,694	1,858	4.73	8,691	4,997	1	24		
Urbandale	1,650,111	4,521	2.21	9,982	5,461	4.83	21,858	11,876	1	60		
Warren Rural Water	613,318	1,680	1.62	2,714	1,033	3.62	6,081	3,368	1	36		
West Des Moines	923,219	2,529	2.66	6,738	4,209	5.52	13,968	7,230	1	108		
Xenia	705,799	1,934	1.46	2,814	880	3.57	6,910	4,097	1	48		
Polk City	113,576	311	2.52	785	474	5.04	1,570	784	1	12		
West Des Moines - Storage	6,490	18	11.22	200	182	24.52	436	236	1	24		
Johnston	790,173	2,165	2.28	4,940	2,775	4.93	10,678	5,738	1	36		
Water Development Co	17,849	49	1.79	87	38	3.93	192	105	1	24		
<b>Subtotal: Wholesale</b>	8,886,594	24,347	1.95	47,484	23,137	4.44	108,126	60,641	14	648	-	-
<b>Subtotal: Outside City</b>	10,306,014	28,158	1.98	55,831	27,673	4.49	126,527	70,696	16,917	203,484	22,193	3,459
<b>Total: Utility</b>	16,225,002	44,374	1.85	81,992	37,618	4.15	184,056	102,064	86,116	1,033,872	129,632	9,692

## 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 4** summarizes the functional allocation of the water utility's FY 2024 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 5** summarizes the functional allocation of the water utility's FY 2024 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 2022. 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 5**, 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 4: O&M Functionalization

<u>Cost Center</u>	<u>O&amp;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>Meters</u>	<u>Customer</u> <u>Service</u>	<u>Fire</u> <u>Protection</u>	<u>Admin</u>
Finance	\$ 6,271,299									100.0%
Customer Service	4,980,103						34.0%	66.0%		
IT	3,573,052									100.0%
HR	991,836									100.0%
Engineering	1,819,110	7.7%	17.7%	26.7%	36.1%	7.6%	2.2%	0.0%	0.0%	2.0%
Transmission and Distribution	10,459,804			27.8%	72.2%					
OCEO	2,364,274									100.0%
Treatment	16,002,082		100.0%							
Source	666,641	100.0%								
Storage/Pumping	2,576,811					100.0%				
Production Administration	7,913,013	3.5%	83.1%			13.4%				
<b>Subtotal: O&amp;M Expenses</b>	<b>\$ 57,618,026</b>	<b>\$ 1,080,708</b>	<b>\$ 22,904,232</b>	<b>\$ 3,398,357</b>	<b>\$ 8,203,762</b>	<b>\$ 3,774,970</b>	<b>\$ 1,733,121</b>	<b>\$ 3,286,868</b>	<b>\$ -</b>	<b>\$ 13,236,029</b>
<b><u>Other Revenue</u></b>										
<b><u>Other Items</u></b>	<b><u>Items</u></b>									
Misc Revenue	(4,821,000)									100.0%
Contribution to Reserves	-									1
<b>Subtotal: Other Items</b>	<b>\$ (4,821,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,821,000)</b>
<b>Total: Net O&amp;M</b>	<b>\$ 52,797,026</b>	<b>\$ 1,080,708</b>	<b>\$ 22,904,232</b>	<b>\$ 3,398,357</b>	<b>\$ 8,203,762</b>	<b>\$ 3,774,970</b>	<b>\$ 1,733,121</b>	<b>\$ 3,286,868</b>	<b>\$ -</b>	<b>\$ 8,415,029</b>

Figure 5: 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	\$ 833,256	\$ 13,440					100.00%	
Alleman Tower	5,077	159					100.00%	
Allen Hazen Tower	603,016	33,314					100.00%	
ASR Wells	7,366,878	115,658					100.00%	
Fiber Optics	-	-		100.00%				
FWTP	29,110,502	1,098,674		100.00%				
General Office Facility	2,740,076	83,476						100.00%
Grounds	2,408,686	75,222						100.00%
JES Booster Station	1,189,504	18,023					100.00%	
Jes Tower	4,304,765	88,325					100.00%	
LP Moon Storage Tank	4,017,841	87,408					100.00%	
MWTP	15,665,681	562,640		100.00%				
Nollen, Wilchinski & Tenny S	3,118,034	74,355					100.00%	
Remote Pumping/Storage	928,256	37,276					100.00%	
Roosevelt Booster Station	25,191	3,294					100.00%	
Service Dept	1,666,966	83,168						100.00%
SW Pump Station	1,838,636	59,311					100.00%	
SW Storage	127,470	2,499					100.00%	
SWTP	18,874,454	1,242,029		100.00%				
SWTP Pumping Station	598,180	22,096					100.00%	
Water Supply System	27,613,821	603,325	100.00%					
Pipelines - Feeder	51,124,009	793,166			100.00%			
Pipelines - DM	123,388,404	2,343,586			36.47%	63.53%		
<b>Total: Rate Base</b>	<b>\$ 297,870,591</b>		<b>\$ 27,613,821</b>	<b>\$ 63,761,021</b>	<b>\$ 96,122,682</b>	<b>\$ 78,389,731</b>	<b>\$ 24,956,103</b>	<b>\$ 7,027,232</b>
<b>Total: Depreciation</b>		<b>7,593,898</b>	<b>603,325</b>	<b>2,932,021</b>	<b>1,647,851</b>	<b>1,488,901</b>	<b>555,158</b>	<b>366,641</b>

### 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 1.72 times higher than on an average day. Since 100% of average day costs are incurred on the maximum day, 1/1.72, or about 58%, of those costs are allocated to base and the remaining 42% of costs are allocated to maximum day.

**Figure 6: 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>AD in MM</u>	<u>Production</u>	<u>Annual Avg</u>
					<u>Day</u>	
2018	17,536	48.04	2,043	65.89	85.43	1.78
2019	17,350	47.53	2,026	65.34	81.04	1.70
2020	18,496	50.68	2,153	69.45	85.24	1.68
2021	19,126	52.40	2,125	68.56	88.58	1.69
2022	19,547	53.55	2,235	72.09	93.47	1.75
<b>Average:</b>	18,411	50.44	2,116	68.27	86.75	1.72



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 7** shows the allocation of functionalized “Total: Net O&M” illustrated in Figure 4 to more detailed cost components.

**Figure 8** shows the allocation of functionalized capital asset costs (rate base) illustrated in Figure 5, as well as construction work in progress expected to come into service in FY 2024, to cost components.

**Figure 9** shows the allocation of functionalized capital asset costs (annual depreciation) illustrated in Figure 5, as well as construction work in progress expected to come into service in FY 2024, to cost components.

It should be noted that because Figures 8 & 9 include assets currently held, as well as construction work in progress expected to come into service in FY 2023 and 2024, totals in these Figures are slightly higher than and do not tie to functionalized totals in Figure 5.

Figure 7: 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	\$ 1,080,686	\$ 1,080,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treatment	22,904,232	13,314,884	9,589,348	-	-	-	-	-	-	-	-	-	-	-
Transmission	3,398,357	1,975,562	1,422,795	-	-	-	-	-	-	-	-	-	-	-
Distribution	8,203,762	-	-	-	-	-	-	-	-	-	8,203,762	-	-	-
Storage / Pumping	3,774,970	2,194,498	1,580,472	-	-	-	-	-	-	-	-	-	-	-
Meters	1,733,121	-	-	-	-	-	-	-	1,733,121	-	-	-	-	-
Customer Service	3,286,868	-	-	-	3,286,868	-	-	-	-	-	-	-	-	-
Administration	8,415,029	3,520,128	2,387,617	-	623,205	-	-	-	328,608	-	1,555,471	-	-	-
<b>Total:</b>	<b>\$ 52,797,026</b>	<b>\$ 22,085,759</b>	<b>\$ 14,980,233</b>	<b>\$ -</b>	<b>\$ 3,910,073</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,061,728</b>	<b>\$ -</b>	<b>\$ 9,759,233</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Figure 8: Allocation of Rate Base to Cost Components \*

Function	Rate Base	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	\$ 53,107,714	\$ 53,107,714	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treatment	103,411,891	60,116,286	43,295,605	-	-	-	-	-	-	-	-	-	-	-
Transmission	111,730,708	64,952,252	46,778,457	-	-	-	-	-	-	-	-	-	-	-
Distribution	143,080,178	-	-	-	-	-	-	-	-	-	-	48,009,168	34,576,088	60,494,923
Storage / Pumping	25,344,001	14,733,192	10,610,810	-	-	-	-	-	-	-	-	-	-	-
Meters	7,317,234	-	-	-	-	-	-	-	7,317,234	-	-	-	-	-
Customer Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administration	11,569,393	5,026,772	2,623,614	-	-	-	-	-	190,670	-	-	1,251,007	900,973	1,576,357
<b>Total:</b>	<b>\$ 455,561,120</b>	<b>\$ 197,936,215</b>	<b>\$ 103,308,485</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,507,904</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 49,260,175</b>	<b>\$ 35,477,060</b>	<b>\$ 62,071,280</b>

Figure 9: Allocation of Depreciation to Cost Components \*

Function	Depreciation	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	\$ 1,193,427	\$ 1,193,427	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treatment	3,866,779	2,247,869	1,618,910	-	-	-	-	-	-	-	-	-	-	-
Transmission	1,980,338	1,151,227	829,111	-	-	-	-	-	-	-	-	-	-	-
Distribution	3,081,519	-	-	-	-	-	-	-	-	-	-	1,033,974	744,665	1,302,879
Storage / Pumping	564,179	327,973	236,206	-	-	-	-	-	-	-	-	-	-	-
Meters	185,806	-	-	-	-	-	-	-	185,806	-	-	-	-	-
Customer Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administration	960,483	434,698	237,136	-	-	-	-	-	16,415	-	-	91,346	65,787	115,102
<b>Total:</b>	<b>\$ 11,832,532</b>	<b>\$ 5,355,194</b>	<b>\$ 2,921,363</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 202,221</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,125,319</b>	<b>\$ 810,452</b>	<b>\$ 1,417,981</b>

\*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 2024 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 10** shows the calculated unit costs.

The total system units are the sum of all units from **Figure 3**.

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 in **Figure 10** 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 \$22.08 million. Since there are 16.2 million base units, the cost per unit is \$1.36. 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 \$43.9 million.

It is important to note that **Figure 10** 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 11** displays the total revenue recovered by component, developed by multiplying the unit rates by the appropriate units from **Figure 3**.

*Example – Figure 11*

Des Moines Inside City - Common To All- Base Costs- O&M= \$8,095,715 <sup>1</sup>
Figure 10: \$1.3612 operating cost
Figure 3: DM Inside + DM Zoo =
5,918,988 + 28,419 = 5,947,407 kgal FY 2024 projected annual consumption
Figure 11: 5,947,407 units * \$1.3612/unit = \$8,095,715 <sup>1</sup>

**Figure 11** 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 13**.

**Figure 12** shows the reconciliation of utility basis costs in **Figure 11** to the cash basis costs shown in **Figure 1**.

<sup>1</sup> 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 10: 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
<b>Operating Expenses</b>														
Total Expense	\$ 52,797,026	\$ 22,085,759	\$ 14,980,233	\$ -	\$ 3,910,073	\$ -	\$ -	\$ -	\$ 2,061,728	\$ -	\$ 9,759,233	\$ -	\$ -	\$ -
Units		16,225,002	37,701	102,247	1,033,896	7,338,408	14,564	41,606	129,634	9,924	9,692	6,237,837	11,508	34,288
Unit Cost		1.3612	397.3425	-	3.7819	-	-	-	15.9043	-	1,006.8978	-	-	-
<b>Depreciation</b>														
<b>Shared Depreciation</b>														
Total Expense	11,630,310	5,355,194	2,921,363	-	-	-	-	-	-	-	-	1,125,319	810,452	1,417,981
Units		16,225,002	82,153	102,247	1,033,896	7,338,408	34,669	41,606	108,954	9,924	9,692	6,237,837	28,598	34,288
Unit Cost		0.3301	35.5600	-	-	-	-	-	-	-	-	0.1804	28.3391	41.3549
<b>PC Depreciation</b>														
PC Depreciation Credit	(1,993,300)	(1,289,728)	(703,572)	-	-	-	-	-	-	-	-	-	-	-
Wholesale PC Depreciation	9,637,010	4,065,466	2,217,791	-	-	-	-	-	-	-	-	1,125,319	810,452	1,417,981
Units		16,225,002	82,153	102,247	1,033,896	7,338,408	34,669	41,606	108,954	9,924	9,692	6,237,837	28,598	34,288
Unit Cost		0.2506	26.9958	-	-	-	-	-	-	-	-	0.1804	28.3391	41.3549
<b>Rate Base</b>														
<b>Shared Rate Base</b>														
Total Shared Rate Base	455,561,120	197,936,215	103,308,485	-	-	-	-	-	7,507,904	-	-	49,260,175	35,477,060	62,071,280
Units		16,225,002	82,153	102,247	1,033,896	7,338,408	34,669	41,606	108,954	9,924	9,692	6,237,837	28,598	34,288
Unit Cost		12.1995	1,257.5114	-	-	-	-	-	68.9092	-	-	7.8970	1,240.5263	1,810.2878
<b>Inside City Rate Base</b>														
Rate Base (1)	249,253,375	72,555,137	33,100,657	-	-	-	-	-	6,861,322	-	-	46,966,650	32,653,567	57,116,042
Return on Rate Base	3.69% \$ 9,191,215	2,675,470	1,220,586	-	-	-	-	-	253,011	-	-	1,731,895	1,204,100	2,106,153
Units		5,947,407	26,322	31,551	830,412	5,947,407	26,322	31,551	107,441	7,960	6,233	5,947,407	26,322	31,551
Unit Cost		0.4499	46.3707	-	-	-	-	-	2.3549	-	-	0.2912	45.7444	66.7543
<b>Outside City Rate Base</b>														
Rate Base	205,661,163	125,381,078	70,207,829	-	-	-	-	-	-	-	-	2,293,525	2,823,493	4,955,238
Return on Rate Base	6.00% 12,339,670	7,522,865	4,212,470	-	-	-	-	-	-	-	-	137,611	169,410	297,314
Units		10,277,595	55,831	70,696	203,484	1,391,001	8,347	10,055	1,513	1,964	3,459	290,430	2,276	2,737
Unit Cost		0.7320	75.4507	-	-	-	-	-	-	-	-	0.4738	74.4316	108.6173
<b>PC Rate Base</b>														
PC Rate Base Credit	(41,859,305)	(27,504,127)	(14,355,178)											
PC Rate Base	163,801,857	97,876,951	55,852,650	-	-	-	-	-	-	-	-	2,293,525	2,823,493	4,955,238
PC Return on Rate Base	6.00% 9,828,111	5,872,617	3,351,159	-	-	-	-	-	-	-	-	137,611	169,410	297,314
Units		10,277,595	55,831	70,696	203,484	1,391,001	8,347	10,055	1,513	1,964	3,459	290,430	2,276	2,737
Unit Cost		0.5714	60.0235	-	-	-	-	-	-	-	-	0.4738	74.4316	108.6173

(1) Includes addition of \$6.8 million Direct Asset - Des Moines Inside City Meters.

Figure 11: 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
<b>Des Moines Inside City</b>														
O&M	\$ 23,205,717	\$ 8,095,715	\$ 3,984,584	\$ -	\$ 3,140,520	\$ -	\$ -	\$ -	\$ 1,708,766	-	\$ 6,276,132	\$ -	\$ -	\$ -
Depreciation	6,015,110	1,962,990	936,022	-	-	-	-	-	-	-	-	1,072,925	745,951	1,297,221
Return on Rate Base	9,191,215	2,675,470	1,220,586	-	-	-	-	-	253,011	-	-	1,731,895	1,204,100	2,106,153
<b>Subtotal: DMIC</b>	<b>\$ 38,412,042</b>	<b>\$ 12,734,175</b>	<b>\$ 6,141,193</b>	<b>\$ -</b>	<b>\$ 3,140,520</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,961,777</b>	<b>\$ -</b>	<b>\$ 6,276,132</b>	<b>\$ 2,804,820</b>	<b>\$ 1,950,051</b>	<b>\$ 3,403,374</b>
<b>Outside City Customers</b>														
O&M	\$ 29,591,308	\$ 13,990,043	\$ 10,995,648	\$ -	\$ 769,553	\$ -	\$ -	\$ -	\$ 352,963	\$ -	\$ 3,483,101	\$ -	\$ -	\$ -
PC Depreciation	3,163,369	2,022,605	1,140,764	-	-	-	-	-	-	-	-	-	-	-
PC Return on Rate Base	7,148,804	4,612,387	2,536,416	-	-	-	-	-	-	-	-	-	-	-
Other Outside Depreciation	1,440,723	727,948	482,681	-	-	-	-	-	-	-	-	52,394	64,501	113,199
Other Outside Return on Rate Base	3,242,846	1,614,364	1,024,147	-	-	-	-	-	-	-	-	137,611	169,410	297,314
<b>Subtotal: Outside City</b>	<b>\$ 44,587,050</b>	<b>\$ 22,967,347</b>	<b>\$ 16,179,656</b>	<b>\$ -</b>	<b>\$ 769,553</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 352,963</b>	<b>\$ -</b>	<b>\$ 3,483,101</b>	<b>\$ 190,006</b>	<b>\$ 233,911</b>	<b>\$ 410,514</b>
<b>Direct Assets</b>														
Depreciation	\$ 1,814,170													
<b>Subtotal: Direct Assets</b>	<b>\$ 1,814,170</b>													
<b>Total: Revenue Recovered</b>	<b>\$ 84,813,263</b>													

**Figure 12: Reconciliation to Cash Basis**

	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
<b><u>Cash Basis Revenue Requirements</u></b>			
Operation and Maintenance Expense	57,618,026		57,618,026
Debt Service		170,000	170,000
Cash Financed Capital		31,846,237	31,846,237
Contribution to Operating Reserve			0
<b>Subtotal: Revenue Requirement</b>	<b>57,618,026</b>	<b>32,016,237</b>	<b>89,634,263</b>
<b><u>Requirements Met from Other Sources</u></b>			
Misc Revenues	4,821,000		4,821,000
<b>Subtotal: Other Revenues</b>	<b>4,821,000</b>	<b>0</b>	<b>4,821,000</b>
<b>Total: Revenue Required</b>	<b>52,797,026</b>	<b>32,016,237</b>	<b>84,813,263</b>
<b><u>Utility Basis Revenue Requirements</u></b>			
Operation and Maintenance Expense	52,797,026		52,797,026
Depreciation		12,433,373	12,433,373
Return on Rate Base		19,582,864	19,582,864
<b>Total: Revenue Requirement</b>	<b>52,797,026</b>	<b>32,016,237</b>	<b>84,813,263</b>

## STEP 5: DETERMINE REVENUE REQUIREMENTS BY CUSTOMER CLASS

To determine the allocation of the FY 2024 revenue requirements to each of the customer classes, the total unit cost of service (as illustrated in Figure 10) is multiplied by the units of service for that class (as illustrated in Figure 2)<sup>2</sup>. **Figure 13** indicates the cost of service by customer class.

### *Example – Figure 13*

Des Moines Inside City- Common To All- Base Costs (DM Inside City + DM Zoo)

$$\$12,673,327 + \$60,849 = \$12,734,176^2$$

Figure 10: \$1.3612 operating cost + \$0.3301 shared depreciation + \$0.4499 Inside City rate base  
= \$2.1411/unit

Figure 3: DM Inside + DM Zoo projected annual consumption

DM Inside – 5,918,988

DM Zoo – 28,419

Figure 13: DM Inside + DM Zoo

$$\text{DM Inside} - 5,918,988 * \$2.1411/\text{unit} = \$12,673,327^2$$

$$\text{DM Zoo} - 28,419 * \$2.1411/\text{unit} = \$60,849$$

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 13** further details costs for each customer within the purchased capacity wholesale class.

## COST OF SERVICE RESULTS

**Figure 14** presents a summary of Cost of Service results for each customer class compared to projected FY 2024 revenues under proposed rates. A few observations in reviewing these results:

- The Des Moines Inside City, Wholesale Purchased Capacity and With Storage classes are significantly close to 100% recovery.
- The Des Moines Outside City customer class is significantly under-recovering costs, although this 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 costs are under-recovered, higher rate increases are proposed. In situations where the results show costs are over-recovered, this has occurred intentionally to

<sup>2</sup> Rounding of unit costs in this report may cause immaterial discrepancies between the results shown in Figures and results estimated by manually calculating costs.



build up a capital fund for small communities who face significant needed capital improvements in their system. We have added future 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.

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

Figure 13: 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	Return	Depreciation	
Retail																
Des Moines Inside City	\$ 39,040,868	\$ 12,673,327	\$ 6,037,002	\$ -	\$ 3,140,430	\$ -	\$ -	\$ -	\$ 1,961,740	\$ 6,276,132	\$ 2,791,417	\$ 1,938,129	\$ 3,391,170		\$ 831,522	
Des Moines, Outside City	2,776,039	703,783	840,870	-	53,234	-	-	-	24,061	307,954	190,006	233,911	410,514		11,709	
DM Zoo Water Rate	152,260	60,849	46,193	-	91	-	-	-	37	-	13,403	11,922	19,765			
Subtotal: Retail	\$ 41,969,167	\$ 13,437,958	\$ 6,924,064	\$ -	\$ 3,193,754	\$ -	\$ -	\$ -	\$ 1,985,837	\$ 6,584,086	\$ 2,994,825	\$ 2,183,962	\$ 3,821,449	\$ -	\$ 843,231	
Full Service																
Polk County	6,226,879	1,537,322	1,223,356	-	343,592	-	-	-	157,826	2,286,648					678,135	
Runnells	120,884	19,662	59,773	-	9,576	-	-	-	3,629	23,095					5,150	
Cumming Water	149,091	31,451	36,925	-	6,807	-	-	-	2,781	53,100					18,026	
Alleman	108,515	23,590	11,447	-	8,033	-	-	-	5,087	53,213					7,145	
Pleasant Hill Inside City	2,004,447	632,525	398,558	-	215,250	-	-	-	106,921	442,114					209,079	
Pleasant Hill Outside City	5,614	1,705	1,839	-	227	-	-	-	87	1,192					564	
PCRWD #1	189,598	58,977	38,308	-	21,239	-	-	-	7,754	52,133					11,187	
Berwick Water	262,243	86,495	43,983	-	10,256	-	-	-	5,021	107,991					8,495	
Windsor Heights	726,896	275,222	124,169	-	98,889	-	-	-	39,796	155,661					33,159	
Subtotal: Full Service	9,794,166	2,666,951	1,938,358	-	713,868	-	-	-	328,902	3,175,147				-	970,940	
Wholesale																
Altoona	180,200	24,792	155,317	-	91											
Ankeny	6,378,107	4,707,695	1,670,140	-	272											
Bondurant	628,720	425,073	203,511	-	136											
Clive	2,650,707	1,494,845	1,155,454	-	408											
Norwalk	1,402,717	761,591	640,989	-	136											
Waukee	2,522,730	1,462,966	1,059,674	-	91											
Urbandale	6,641,319	3,602,499	3,038,593	-	227											
Warren Rural Water	1,985,883	1,338,987	646,760	-	136											
West Des Moines	4,274,685	2,015,558	2,258,718	-	408											
Xenia	2,135,498	1,540,890	594,426	-	182											
Polk City	504,774	247,957	256,771	-	45											
Subtotal: Wholesale PC	29,305,339	17,622,853	11,680,353	-	2,133											
Wholesale with Storage																
West Des Moines - Storage	110,175	15,727	94,358	-	91											
Johnston	3,566,096	1,914,781	1,651,179	-	136											
Water Development Co	68,319	43,252	24,976	-	91											
Subtotal: Wholesale - Storage	3,744,591	1,973,761	1,770,513	-	318											
Total: Utility	\$ 84,813,263	\$ 35,701,522	\$ 22,313,288	\$ -	\$ 3,910,073	\$ -	\$ -	\$ -	\$ 2,314,739	\$ 9,759,233	\$ 2,994,825	\$ 2,183,962	\$ 3,821,449	\$ -	\$ 1,814,170	

Figure 14: Cost of Service Results

<u>Customer</u>	<u>Cost of Service</u>	<u>4/1 Proposed Rate Increase</u>	<u>2024 Projected Revenue</u>	<u>COS Recovery</u>
<b>Retail</b>				
Des Moines Inside City	\$ 39,193,127	6%	\$ 38,096,872	97%
Des Moines Outside City	2,776,039	10%	1,402,777	51%
<b>Total: Retail</b>	<b>\$ 41,969,167</b>		<b>\$ 39,499,649</b>	<b>94%</b>
<b>Full Service</b>				
Polk County	\$ 7,040,886	6%	\$ 7,840,259	111%
Runnells	170,884	6%	180,601	106%
Cumming	149,091	6%	151,030	101%
Alleman	108,515	6%	136,741	126%
Pleasant Hill Inside City	3,004,447	6%	3,130,036	104%
Pleasant Hill Outside City	5,614	10%	3,882	69%
PCRWD	189,598	10%/\$1 Avail Inc	170,876	90%
Berwick	262,243	10%/\$1 Avail Inc	188,513	72%
Windsor Heights	954,049	6%	1,067,435	112%
Less: Future FS Capital Costs	(2,091,160)			
<b>Total: Full Service</b>	<b>\$ 9,794,166</b>		<b>\$ 12,869,373</b>	<b>131%</b>
<b>Wholesale - PC</b>				
Altoona	\$ 180,200	6%	\$ 40,280	22%
Ankeny	6,378,107	6%	7,648,726	120%
Bondurant	628,720	6%	690,627	110%
Clive	2,650,707	6%	2,428,718	92%
Norwalk	1,402,717	6%	1,237,379	88%
Waukee	2,522,730	6%	2,376,923	94%
Urbandale	6,641,319	6%	5,853,085	88%
Warren Rural Water	1,985,883	6%	2,175,492	110%
West Des Moines	4,274,685	6%	3,274,735	77%
Xenia	2,135,498	6%	2,503,528	117%
Polk City	504,774	6%	402,865	80%
<b>Total: Wholesale - PC</b>	<b>\$ 29,305,339</b>		<b>\$ 28,632,358</b>	<b>98%</b>
<b>Wholesale with Storage</b>				
West Des Moines - Storage	\$ 110,175	3%	\$ 30,372	28%
Johnston	3,566,096	3%	3,697,979	104%
Water Development Co	68,319	3%	83,532	122%
<b>Total: Wholesale with Storage</b>	<b>\$ 3,744,591</b>		<b>\$ 3,811,883</b>	<b>102%</b>
<b>Total: Utility</b>	<b>\$ 84,813,263</b>		<b>\$ 84,813,263</b>	<b>100%</b>

## 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 3** and the unit costs can be found on **Figure 10**.

<sup>(1)</sup> Capital unit costs consist of depreciation and return on rate base.

**Figure 15: Des Moines Inside City**

	Common to All			Full Service and Retail		Retail Only			Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles	Base	Max Day	Max Hour		
<b>Operating Expense</b>										
Units of Service	5,947,407	10,028	830,412	107,441	6,233	5,947,407	10,028	31,551		
Unit Cost	1.3612	397.3425	3.7819	15.9043	1,006.8978	-	-	-		
	\$ 8,095,715	\$ 3,926,586	\$ 3,140,520	\$ 1,708,766	\$ 6,276,132	\$ -	\$ -	\$ -		\$ 23,147,719
<b>Capital Expense</b>										
Units of Service	5,947,407	26,322	830,412	107,441	6,233	5,947,407	26,322	31,551		
Unit Cost (1)	0.7799	81.9307	-	2.3549	-	0.4716	74.0835	108.1093		
	\$ 4,638,460	\$ 2,156,608	\$ -	\$ 253,011	\$ -	\$ 2,804,820	\$ 1,950,051	\$ 3,410,935	\$ 831,522	\$ 16,045,408
<b>Total: Cost of Service</b>	\$ 12,734,175	\$ 6,083,195	\$ 3,140,520	\$ 1,961,777	\$ 6,276,132	\$ 2,804,820	\$ 1,950,051	\$ 3,410,935	\$ 831,522	\$ 39,193,127

**Figure 16: Des Moines Outside City**

	Common to All			Full Service and Retail		Retail Only			Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles	Base	Max Day	Max Hour		
<b>Operating Expense</b>										
Units of Service	290,430	1,480	14,076	1,513	306	290,430	1,480	2,737		
Unit Cost	1.3612	397.3425	3.7819	15.9043	1,006.8978	-	-	-		
	\$ 395,338	\$ 588,204	\$ 53,234	\$ 24,061	\$ 307,954	\$ -	\$ -	\$ -	\$ -	\$ 1,368,791
<b>Capital Expense</b>										
Units of Service	290,430	2,276	14,076	1,513	306	290,430	2,276	2,737		
Unit Cost (1)	1.0620	111.0107	-	-	-	0.6542	102.7707	149.9722		
	\$ 308,444	\$ 252,665	\$ -	\$ -	\$ -	\$ 190,006	\$ 233,911	\$ 410,514	\$ 11,709	\$ 1,407,248
<b>Total: Cost of Service</b>	\$ 703,783	\$ 840,870	\$ 53,234	\$ 24,061	\$ 307,954	\$ 190,006	\$ 233,911	\$ 410,514	\$ 11,709	\$ 2,776,039

**Figure 17: Polk County**

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
<b>Operating Expense</b>							
Units of Service	634,407	2,027	90,852	9,923	2,271		
Unit Cost	1.3612	397.3425	3.7819	15.9043	1,006.8978		
	\$ 863,566	\$ 805,395	\$ 343,592	\$ 157,826	\$ 2,286,648	\$ -	\$ 4,457,026
<b>Capital Expense</b>							
Units of Service	634,407	3,765	90,852	9,923	2,271		
Unit Cost (1)	1.0620	111.0107	-	-	-		
	\$ 673,756	\$ 417,961	\$ -	\$ -	\$ -	\$ 1,492,142	\$ 2,583,860
<b>Total: Cost of Service</b>	\$ 1,537,322	\$ 1,223,356	\$ 343,592	\$ 157,826	\$ 2,286,648	\$ 1,492,142	\$ 7,040,886

**Figure 18: Runnells**

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
<b>Operating Expense</b>							
Units of Service	8,114	14	2,532	228	23		
Unit Cost	1.3612	397.3425	3.7819	15.9043	1,006.8978		
	\$ 11,045	\$ 5,368	\$ 9,576	\$ 3,629	\$ 23,095	\$ 50,437	\$ 103,150
<b>Capital Expense</b>							
Units of Service	8,114	36	2,532	228	23		
Unit Cost (1)	1.0620	111.0107	-	-	-		
	\$ 8,617	\$ 3,968	\$ -	\$ -	\$ -	\$ 55,150	\$ 67,734
<b>Total: Cost of Service</b>	\$ 19,662	\$ 9,336	\$ 9,576	\$ 3,629	\$ 23,095	\$ 105,586	\$ 170,884

**Figure 19: Cumming**

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
<b>Operating Expense</b>							
Units of Service	12,979	65	1,800	175	53		
Unit Cost	1.3612	397.3425	3.7819	15.9043	1,006.8978		
	\$ 17,667	\$ 25,776	\$ 6,807	\$ 2,781	\$ 53,100	\$ -	\$ 106,132
<b>Capital Expense</b>							
Units of Service	12,979	100	1,800	175	53		
Unit Cost (1)	1.0620	111.0107	-	-	-		
	\$ 13,784	\$ 11,149	\$ -	\$ -	\$ -	\$ 18,026	\$ 42,959
<b>Total: Cost of Service</b>	\$ 31,451	\$ 36,925	\$ 6,807	\$ 2,781	\$ 53,100	\$ 18,026	\$ 149,091

**Figure 20: Alleman**

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
<b>Operating Expense</b>							
Units of Service	9,735	17	2,124	320	53		
Unit Cost	1.3612	397.3425	3.7819	15.9043	1,006.8978		
	\$ 13,251	\$ 6,633	\$ 8,033	\$ 5,087	\$ 53,213	\$ -	\$ 86,217
<b>Capital Expense</b>							
Units of Service	9,735	43	2,124	320	53		
Unit Cost (1)	1.0620	111.0107	-				
	\$ 10,339	\$ 4,814	\$ -	\$ -	\$ -	\$ 7,145	\$ 22,298
<b>Total: Cost of Service</b>	\$ 23,590	\$ 11,447	\$ 8,033	\$ 5,087	\$ 53,213	\$ 7,145	\$ 108,515

**Figure 21: Pleasant Hill Inside City**

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
<b>Operating Expense</b>							
Units of Service	261,024	628	56,916	6,723	439		
Unit Cost	1.3612	397.3425	3.7819	15.9043	1,006.8978		
	\$ 355,310	\$ 249,472	\$ 215,250	\$ 106,921	\$ 442,114	\$ -	\$ 1,369,067
<b>Capital Expense</b>							
Units of Service	261,024	1,343	56,916	6,723	439		
Unit Cost (1)	1.0620	111.0107	-	-	-		
	\$ 277,214	\$ 149,086	\$ -	\$ -	\$ -	\$ 1,209,079	\$ 1,635,379
<b>Total: Cost of Service</b>	\$ 632,525	\$ 398,558	\$ 215,250	\$ 106,921	\$ 442,114	\$ 1,209,079	\$ 3,004,447

**Figure 22: Pleasant Hill Outside City**

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
<b>Operating Expense</b>							
Units of Service	704	3	60	5	1		
Unit Cost	1.3612	397.3425	3.7819	15.9043	1,006.8978		
	\$ 958	\$ 1,270	\$ 227	\$ 87	\$ 1,192	\$ -	\$ 3,734
<b>Capital Expense</b>							
Units of Service	704	5	60	5	1		
Unit Cost (1)	1.0620	111.0107	-	-	-		
	\$ 747	\$ 569	\$ -	\$ -	\$ -	\$ 564	\$ 1,880
<b>Total: Cost of Service</b>	\$ 1,705	\$ 1,839	\$ 227	\$ 87	\$ 1,192	\$ 564	\$ 5,614

Figure 23: PCRWD#1

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
<b>Operating Expense</b>							
Units of Service	24,338	61	5,616	488	52		
Unit Cost	1.3612	397.3425	3.7819	15.9043	1,006.8978		
	\$ 33,129	\$ 24,157	\$ 21,239	\$ 7,754	\$ 52,133	\$ -	\$ 138,412
<b>Capital Expense</b>							
Units of Service	24,338	127	5,616	488	52		
Unit Cost (1)	1.0620	111.0107	-	-	-		
	\$ 25,848	\$ 14,151	\$ -	\$ -	\$ -	\$ 11,187	\$ 51,185
<b>Total: Cost of Service</b>	\$ 58,977	\$ 38,308	\$ 21,239	\$ 7,754	\$ 52,133	\$ 11,187	\$ 189,598

Figure 24: Berwick

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
<b>Operating Expense</b>							
Units of Service	35,694	65	2,712	316	107		
Unit Cost	1.3612	397.3425	3.7819	15.9043	1,006.8978		
	\$ 48,587	\$ 25,893	\$ 10,256	\$ 5,021	\$ 107,991	\$ -	\$ 197,749
<b>Capital Expense</b>							
Units of Service	35,694	163	2,712	316	107		
Unit Cost (1)	1.0620	111.0107	-	-	-		
	\$ 37,908	\$ 18,090	\$ -	\$ -	\$ -	\$ 8,495	\$ 64,493
<b>Total: Cost of Service</b>	\$ 86,495	\$ 43,983	\$ 10,256	\$ 5,021	\$ 107,991	\$ 8,495	\$ 262,243

Figure 25: Windsor Heights

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
<b>Operating Expense</b>							
Units of Service	113,576	176	26,148	2,502	155		
Unit Cost	1.3612	397.3425	3.7819	15.9043	1,006.8978		
	\$ 154,602	\$ 70,054	\$ 98,889	\$ 39,796	\$ 155,661	\$ -	\$ 519,001
<b>Capital Expense</b>							
Units of Service	113,576	487	26,148	2,502	155		
Unit Cost (1)	1.0620	111.0107	-	-	-		
	\$ 120,621	\$ 54,115	\$ -	\$ -	\$ -	\$ 260,312	\$ 435,048
<b>Total: Cost of Service</b>	\$ 275,222	\$ 124,169	\$ 98,889	\$ 39,796	\$ 155,661	\$ 260,312	\$ 954,049

**Figure 26: Altoona**

<b><u>Operating Expense</u></b>	<b><u>Base</u></b>	<b><u>Max Day</u></b>	<b><u>Bills</u></b>	<b><u>Total</u></b>
Units of Service	11,356	315	24	
Unit Cost	1.3612	397.3425	3.7819	
	<u>\$ 15,458</u>	<u>\$ 125,193</u>	<u>\$ 91</u>	<u>\$ 140,741</u>
<b><u>Capital Expense</u></b>				
Units of Service	11,356	346	24	
Unit Cost (1)	0.8220	87.0193	-	
	<u>\$ 9,334</u>	<u>\$ 30,125</u>	<u>\$ -</u>	<u>\$ 39,459</u>
<b>Total: Cost of Service</b>	<b>\$ 24,792</b>	<b>\$ 155,317</b>	<b>\$ 91</b>	<b>\$ 180,200</b>

**Figure 27: Ankeny**

<b><u>Operating Expense</u></b>	<b><u>Base</u></b>	<b><u>Max Day</u></b>	<b><u>Bills</u></b>	<b><u>Total</u></b>
Units of Service	2,156,342	2,387	72	
Unit Cost	1.3612	397.3425	3.7819	
	<u>\$ 2,935,251</u>	<u>\$ 948,355</u>	<u>\$ 272</u>	<u>\$ 3,883,879</u>
<b><u>Capital Expense</u></b>				
Units of Service	2,156,342	8,295	72	
Unit Cost (1)	0.8220	87.0193	-	
	<u>\$ 1,772,444</u>	<u>\$ 721,785</u>	<u>\$ -</u>	<u>\$ 2,494,229</u>
<b>Total: Cost of Service</b>	<b>\$ 4,707,695</b>	<b>\$ 1,670,140</b>	<b>\$ 272</b>	<b>\$ 6,378,107</b>



**Figure 28: Bondurant**

<b><u>Operating Expense</u></b>	<b><u>Base</u></b>	<b><u>Max Day</u></b>	<b><u>Bills</u></b>	<b><u>Total</u></b>
Units of Service	194,703	324	36	
Unit Cost	1.3612	397.3425	3.7819	
	<u>\$ 265,033</u>	<u>\$ 128,869</u>	<u>\$ 136</u>	<u>\$ 394,038</u>
<b><u>Capital Expense</u></b>				
Units of Service	194,703	858	36	
Unit Cost (1)	0.8220	87.0193	-	
	<u>\$ 160,040</u>	<u>\$ 74,642</u>	<u>\$ -</u>	<u>\$ 234,681</u>
<b>Total: Cost of Service</b>	<b>\$ 425,073</b>	<b>\$ 203,511</b>	<b>\$ 136</b>	<b>\$ 628,720</b>

**Figure 29: Clive**

<b><u>Operating Expense</u></b>	<b><u>Base</u></b>	<b><u>Max Day</u></b>	<b><u>Bills</u></b>	<b><u>Total</u></b>
Units of Service	684,708	2,048	108	
Unit Cost	1.3612	397.3425	3.7819	
	<u>\$ 932,037</u>	<u>\$ 813,955</u>	<u>\$ 408</u>	<u>\$ 1,746,400</u>
<b><u>Capital Expense</u></b>				
Units of Service	684,708	3,924	108	
Unit Cost (1)	0.8220	87.0193	-	
	<u>\$ 562,808</u>	<u>\$ 341,499</u>	<u>\$ -</u>	<u>\$ 904,307</u>
<b>Total: Cost of Service</b>	<b>\$ 1,494,845</b>	<b>\$ 1,155,454</b>	<b>\$ 408</b>	<b>\$ 2,650,707</b>

**Figure 30: Norwalk**

<b><u>Operating Expense</u></b>	<b><u>Base</u></b>	<b><u>Max Day</u></b>	<b><u>Bills</u></b>	<b><u>Total</u></b>
Units of Service	348,844	1,152	36	
Unit Cost	1.3612	397.3425	3.7819	
	<u>\$ 474,853</u>	<u>\$ 457,605</u>	<u>\$ 136</u>	<u>\$ 932,593</u>
<b><u>Capital Expense</u></b>				
Units of Service	348,844	2,107	36	
Unit Cost (1)	0.8220	87.0193	-	
	<u>\$ 286,739</u>	<u>\$ 183,385</u>	<u>\$ -</u>	<u>\$ 470,123</u>
<b>Total: Cost of Service</b>	<b>\$ 761,591</b>	<b>\$ 640,989</b>	<b>\$ 136</b>	<b>\$ 1,402,717</b>

**Figure 31: Waukee**

<b><u>Operating Expense</u></b>	<b><u>Base</u></b>	<b><u>Max Day</u></b>	<b><u>Bills</u></b>	<b><u>Total</u></b>
Units of Service	670,106	1,858	24	
Unit Cost	1.3612	397.3425	3.7819	
	<u>\$ 912,160</u>	<u>\$ 738,238</u>	<u>\$ 91</u>	<u>\$ 1,650,488</u>
<b><u>Capital Expense</u></b>				
Units of Service	670,106	3,694	24	
Unit Cost (1)	0.8220	87.0193	-	
	<u>\$ 550,806</u>	<u>\$ 321,436</u>	<u>\$ -</u>	<u>\$ 872,242</u>
<b>Total: Cost of Service</b>	<b>\$ 1,462,966</b>	<b>\$ 1,059,674</b>	<b>\$ 91</b>	<b>\$ 2,522,730</b>

**Figure 32: Urbandale**

<b><u>Operating Expense</u></b>	<b><u>Base</u></b>	<b><u>Max Day</u></b>	<b><u>Bills</u></b>	<b><u>Total</u></b>
Units of Service	1,650,111	5,461	60	
Unit Cost	1.3612	397.3425	3.7819	
	<u>\$ 2,246,160</u>	<u>\$ 2,169,963</u>	<u>\$ 227</u>	<u>\$ 4,416,350</u>
<b><u>Capital Expense</u></b>				
Units of Service	1,650,111	9,982	60	
Unit Cost (1)	0.8220	87.0193	-	
	<u>\$ 1,356,338</u>	<u>\$ 868,631</u>	<u>\$ -</u>	<u>\$ 2,224,969</u>
<b>Total: Cost of Service</b>	<b>\$ 3,602,499</b>	<b>\$ 3,038,593</b>	<b>\$ 227</b>	<b>\$ 6,641,319</b>

**Figure 33: Warren Rural Water**

<b><u>Operating Expense</u></b>	<b><u>Base</u></b>	<b><u>Max Day</u></b>	<b><u>Bills</u></b>	<b><u>Total</u></b>
Units of Service	613,318	1,033	36	
Unit Cost	1.3612	397.3425	3.7819	
	<u>\$ 834,859</u>	<u>\$ 410,613</u>	<u>\$ 136</u>	<u>\$ 1,245,609</u>
<b><u>Capital Expense</u></b>				
Units of Service	613,318	2,714	36	
Unit Cost (1)	0.8220	87.0193	-	
	<u>\$ 504,128</u>	<u>\$ 236,146</u>	<u>\$ -</u>	<u>\$ 740,274</u>
<b>Total: Cost of Service</b>	<b>\$ 1,338,987</b>	<b>\$ 646,760</b>	<b>\$ 136</b>	<b>\$ 1,985,883</b>

**Figure 34: West Des Moines Water Works**

<b><u>Operating Expense</u></b>	<b><u>Base</u></b>	<b><u>Max Day</u></b>	<b><u>Bills</u></b>	<b><u>Total</u></b>
Units of Service	923,219	4,209	108	
Unit Cost	1.3612	397.3425	3.7819	
	<u>\$ 1,256,702</u>	<u>\$ 1,672,362</u>	<u>\$ 408</u>	<u>\$ 2,929,472</u>
<b><u>Capital Expense</u></b>				
Units of Service	923,219	6,738	108	
Unit Cost (1)	0.8220	87.0193	-	
	<u>\$ 758,856</u>	<u>\$ 586,357</u>	<u>\$ -</u>	<u>\$ 1,345,213</u>
<b>Total: Cost of Service</b>	<b>\$ 2,015,558</b>	<b>\$ 2,258,718</b>	<b>\$ 408</b>	<b>\$ 4,274,685</b>

**Figure 35: Xenia Rural Water District**

<b><u>Operating Expense</u></b>	<b><u>Base</u></b>	<b><u>Max Day</u></b>	<b><u>Bills</u></b>	<b><u>Total</u></b>
Units of Service	705,799	880	48	
Unit Cost	1.3612	397.3425	3.7819	
	<u>\$ 960,746</u>	<u>\$ 349,594</u>	<u>\$ 182</u>	<u>\$ 1,310,522</u>
<b><u>Capital Expense</u></b>				
Units of Service	705,799	2,814	48	
Unit Cost (1)	0.8220	87.0193	-	
	<u>\$ 580,144</u>	<u>\$ 244,831</u>	<u>\$ -</u>	<u>\$ 824,975</u>
<b>Total: Cost of Service</b>	<b>\$ 1,540,890</b>	<b>\$ 594,426</b>	<b>\$ 182</b>	<b>\$ 2,135,498</b>

**Figure 36: Polk City**

<b><u>Operating Expense</u></b>	<b><u>Base</u></b>	<b><u>Max Day</u></b>	<b><u>Bills</u></b>	<b><u>Total</u></b>
Units of Service	113,576	474	12	
Unit Cost	1.3612	397.3425	3.7819	
	<u>\$ 154,602</u>	<u>\$ 188,427</u>	<u>\$ 45</u>	<u>\$ 343,074</u>
<b><u>Capital Expense</u></b>				
Units of Service	113,576	785	12	
Unit Cost (1)	0.8220	87.0193	-	
	<u>\$ 93,356</u>	<u>\$ 68,344</u>	<u>\$ -</u>	<u>\$ 161,700</u>
<b>Total: Cost of Service</b>	<b>\$ 247,957</b>	<b>\$ 256,771</b>	<b>\$ 45</b>	<b>\$ 504,774</b>

**Figure 37: West Des Moines Water Works – w/ Storage**

<b><u>Operating Expense</u></b>	<b><u>Base</u></b>	<b><u>Max Day</u></b>	<b><u>Bills</u></b>	<b><u>Total</u></b>
Units of Service	6,490	182	24	
Unit Cost	1.3612	397.3425	3.7819	
	<u>\$ 8,834</u>	<u>\$ 72,210</u>	<u>\$ 91</u>	<u>\$ 81,135</u>
<b><u>Capital Expense</u></b>				
Units of Service	6,490	200	24	
Unit Cost (1)	1.0620	111.0107	-	
	<u>\$ 6,893</u>	<u>\$ 22,148</u>	<u>\$ -</u>	<u>\$ 29,041</u>
<b>Total: Cost of Service</b>	<b>\$ 15,727</b>	<b>\$ 94,358</b>	<b>\$ 91</b>	<b>\$ 110,175</b>

**Figure 38: Johnston**

<b><u>Operating Expense</u></b>	<b><u>Base</u></b>	<b><u>Max Day</u></b>	<b><u>Bills</u></b>	<b><u>Total</u></b>
Units of Service	790,173	2,775	36	
Unit Cost	1.3612	397.3425	3.7819	
	<u>\$ 1,075,597</u>	<u>\$ 1,102,763</u>	<u>\$ 136</u>	<u>\$ 2,178,497</u>
<b><u>Capital Expense</u></b>				
Units of Service	790,173	4,940	36	
Unit Cost (1)	1.0620	111.0107	-	
	<u>\$ 839,184</u>	<u>\$ 548,415</u>	<u>\$ -</u>	<u>\$ 1,387,599</u>
<b>Total: Cost of Service</b>	<b>\$ 1,914,781</b>	<b>\$ 1,651,179</b>	<b>\$ 136</b>	<b>\$ 3,566,096</b>

**Figure 39: Water Development Co.**

<b><u>Operating Expense</u></b>	<b><u>Base</u></b>	<b><u>Max Day</u></b>	<b><u>Bills</u></b>	<b><u>Total</u></b>
Units of Service	17,849	38	24	
Unit Cost	1.3612	397.3425	3.7819	
	<u>\$ 24,296</u>	<u>\$ 15,279</u>	<u>\$ 91</u>	<u>\$ 39,666</u>
<b><u>Capital Expense</u></b>				
Units of Service	17,849	87	24	
Unit Cost (1)	1.0620	111.0107	-	
	<u>\$ 18,956</u>	<u>\$ 9,697</u>	<u>\$ -</u>	<u>\$ 28,653</u>
<b>Total: Cost of Service</b>	<b>\$ 43,252</b>	<b>\$ 24,976</b>	<b>\$ 91</b>	<b>\$ 68,319</b>

## 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 2024 Water Rates**

**SUMMARY:**

Proposed 2024 water rate recommendations are attached and were discussed at the October Finance and Audit Committee meeting.

**Retail Rates**

Staff recommends a 6.0% 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, Pleasant Hill Outside City, Polk County Rural Water District #1 (PCRWD #1) and Berwick service areas.

Staff recommends a \$1.00 increase in the fixed monthly water availability fee for PCRWD#1 and Berwick to \$5.00 and \$4.00, respectively.

**Wholesale Rates**

In light of Cost of Service results, staff recommends a 6% increase in the wholesale Purchased Capacity rate, and a 3% increase in the wholesale With Storage rate. Staff recommends maintaining the current rate structure for 2024 wholesale rates in anticipation of the execution of the CIWW 28E/F in the coming months.

With these proposed rate adjustments, rates for all customer classes have significantly improved in their alignment with costs since 2020, when DMWW began a multi-year phase-in of rate adjustments to more closely align revenues with the costs to serve each customer class. Key cost recovery improvements are shown below:

Customer Class	2020 Budgeted Expenses Cost Recovery	2024 Budgeted Expenses Cost Recovery
Des Moines Inside City	109%	97%
Wholesale Purchased Capacity	80%	98%
Wholesale With Storage	126%	102%

A memo providing more detail on rate recommendations is attached, which includes a summary of proposed water rates and capital improvement fees by customer class. Water availability charges by service area and meter size are also included. Proposed rates and fees will take effect April 1, 2024.

**FISCAL IMPACT:**


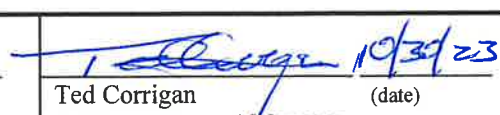
The recommended rate increases will result in approximately \$3,400,000 of increased water revenue for 2024.

**RECOMMENDED ACTION:**

Approve the proposed rates according to the attached schedule to be effective for all water bills issued on or after April 1, 2024 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, 2024 and direct staff to publish the adopted rates as provided by law.

 Amy Kahler, CPA (date) 10/23/23 Chief Financial Officer	/ (date)	 Ted Corrigan (date) 10/31/23 CEO and General Manager
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Attachment: Proposed 2024 Water Rates; Memo re: Proposed 2024 Water Rates



## PROPOSED 2024 WATER RATES

	2023 Rate Per 1,000 Gallons	2024 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)	\$5.64	\$5.98	\$0.34	6.00%	\$1.28	\$2.55
Commercial (Step 2)	3.79	4.02	0.23	6.00%		
Industrial (Step 3)	2.91	3.08	0.17	6.00%		
Capital Improvement Fee						
Step 1	\$0.25	\$0.25	\$0.00	0.00%	\$0.00	\$0.00
Step 2	0.17	0.17	0.00	0.00%		
Step 3	0.13	0.13	0.00	0.00%		
Des Moines Outside City						
Residential (Step 1)	\$6.82	\$7.50	\$0.68	10.00%	\$2.55	\$5.10
Commercial (Step 2)	5.13	5.64	0.51	10.00%		
Industrial (Step 3)	3.66	4.03	0.37	10.00%		
Off Peak	3.03	3.33	0.30	10.00%		
Polk County						
Residential (Step 1)	\$11.12	\$11.79	\$0.67	6.00%	\$2.51	\$5.03
Commercial (Step 2)	6.80	7.21	0.41	6.00%		
Industrial (Step 3)	5.31	5.63	0.32	6.00%		
Capital Improvement Fee						
Step 1	\$1.50	\$1.50	\$0.00	0.00%	\$0.00	\$0.00
Step 2	0.92	0.92	0.00	0.00%		
Step 3	0.71	0.71	0.00	0.00%		
Pleasant Hill						
Residential (Step 1)	\$10.34	\$10.96	\$0.62	6.00%	\$2.33	\$4.65
Commercial (Step 2)	8.72	9.24	0.52	6.00%		
Outside City	17.72	19.49	1.77	10.00%	\$6.64	\$13.28
Windsor Heights	\$5.75	\$6.10	\$0.35	6.00%	\$1.31	\$2.63
Capital Improvement Fee	2.00	2.00	0.00	0.00%	\$0.00	\$0.00
PCRWD #1	\$5.42	\$5.96	\$0.54	10.00%	\$3.03	\$5.05
Berwick	\$4.62	\$5.08	\$0.46	10.00%	\$2.73	\$4.45
Runnells						
Water	\$9.35	\$9.91	\$0.56	6.00%	\$2.10	\$4.20
Waste Water	10.14	10.75	0.61	6.00%	\$2.29	\$4.58
Cumming	\$9.64	\$10.22	\$0.58	6.00%	\$2.18	\$4.35
Alleman	\$11.45	\$12.14	\$0.69	6.00%	\$2.59	\$5.18
Wholesale						
Purchased Capacity	\$3.39	\$3.59	\$0.20	6.00%		
With Storage	\$4.57	\$4.71	\$0.14	3.00%		

## **MEMORANDUM**

**DATE:** October 23, 2023

**TO:** Ted Corrigan, CEO and General Manager

**FROM:** Amy Kahler, Chief Financial Officer

**SUBJECT:** Proposed 2024 Water Rates

### **Background**

The Cost of Service (“COS”) model used by DMWW is consistent with widely accepted industry cost and rate-making principles and is used as a guide in establishing DMWW’s wholesale and retail water rates. Developed by Raftelis and performed by DMWW annually, the COS determines revenue requirements and distributes costs to customer classes. Raftelis is a nationally known financial advisor specializing in public-sector work. The firm has helped author the AWWA’s rate setting manual, “Principles of Water Rates, Fees, and Charges,” more commonly known in the water industry as the “M1 Manual.” DMWW’s approach to rate setting is to identify costs by customer class and set rates such that all customer classes “pay their own way.” Because DMWW recovers 100% of costs from all customers in total, where one customer class is under-recovering costs, another customer class is over-recovering. This is called cross-subsidization and is not permitted per the Wholesale Water Service Master Agreement (“Master Agreement”).

### **Summary of Cost of Service Results Using 2024 Budget**

DMWW has completed the annual COS study using 2024 budgeted expenses. Summary Figure 14 from the COS is shown below. These results serve as a basis for the rate recommendations within this memo.

**Figure 14: Cost of Service Results**

Customer	Cost of Service	4/1 Proposed Rate Increase	2024 Projected Revenue	COS Recovery
<b>Retail</b>				
Des Moines Inside City	\$ 39,193,127	6%	\$ 38,096,872	97%
Des Moines Outside City	2,776,039	10%	1,402,777	51%
<b>Total: Retail</b>	<b>\$ 41,969,167</b>		<b>\$ 39,499,649</b>	<b>94%</b>
<b>Full Service</b>				
Polk County	\$ 7,040,886	6%	\$ 7,840,259	111%
Runnells	170,884	6%	180,601	106%
Cumming	149,091	6%	151,030	101%
Alleman	108,515	6%	136,741	126%
Pleasant Hill Inside City	3,004,447	6%	3,130,036	104%
Pleasant Hill Outside City	5,614	10%	3,882	69%
PCRWD	189,598	10%/\$1 Avail Inc	170,876	90%
Berwick	262,243	10%/\$1 Avail Inc	188,513	72%
Windsor Heights	954,049	6%	1,067,435	112%
Less: Future FS Capital Costs	(2,091,160)			
<b>Total: Full Service</b>	<b>\$ 9,794,166</b>		<b>\$ 12,869,373</b>	<b>131%</b>
<b>Wholesale - PC</b>				
Altoona	\$ 180,200	6%	\$ 40,280	22%
Ankeny	6,378,107	6%	7,648,726	120%
Bondurant	628,720	6%	690,627	110%
Clive	2,650,707	6%	2,428,718	92%
Norwalk	1,402,717	6%	1,237,379	88%
Waukee	2,522,730	6%	2,376,923	94%
Urbandale	6,641,319	6%	5,853,065	88%
Warren Rural Water	1,985,883	6%	2,175,492	110%
West Des Moines	4,274,685	6%	3,274,735	77%
Xenia	2,135,498	6%	2,503,528	117%
Polk City	504,774	6%	402,865	80%
<b>Total: Wholesale - PC</b>	<b>\$ 29,305,339</b>		<b>\$ 28,632,358</b>	<b>98%</b>
<b>Wholesale with Storage</b>				
West Des Moines - Storage	\$ 110,175	3%	\$ 30,372	28%
Johnston	3,566,096	3%	3,697,979	104%
Water Development Co	68,319	3%	83,532	122%
<b>Total: Wholesale with Storage</b>	<b>\$ 3,744,591</b>		<b>\$ 3,811,883</b>	<b>102%</b>
<b>Total: Utility</b>	<b>\$ 84,813,263</b>		<b>\$ 84,813,263</b>	<b>100%</b>

## Results

The rate recommendations as noted in the third column of Figure 14 bring each class in close alignment to full cost recovery.

You may recall that prior to 2020, COS results showed better alignment was needed among the various classes; hence, in 2020, DMWW implemented a three-year phase-in approach to align rates with costs for each customer class. The third and final year of that effort was for 2023 rates and that “true-up” has resulted in notable cost recovery improvements. The following chart summarizes this progress for key customer classes:

Customer Class	Cost Recovery 2020 Budgeted Expenses	Cost Recovery 2024 Budgeted Expenses
Des Moines Inside City	109%	97%
Wholesale Purchased Capacity	80%	98%
Wholesale With Storage	126%	102%

The Full Service (also called Total Service) customer class as an aggregate group recovers greater than 100% of budgeted costs because most of these Full Service areas have relatively few customers and significant capital needs in the face of projected growth. The rates are intentionally set at a level to accumulate the capital balances over time that will be necessary to sustain these growth-driven system improvements. Excess revenues are tracked and maintained for each separate Full Service area in a Capital Improvement Fund and are used for the sole benefit of capital projects in that specific service area.

Outside City rates, including Des Moines Outside City and Pleasant Hill Outside City, show significant under-recovery of costs when looking at percentages; however, when looking at dollars, the impact is minimal. These are challenging service areas from a rate perspective, as they have few customers (there are five customers in Outside City Pleasant Hill, for example) which can make cost recovery difficult without rate volatility. In these areas, the rate strategy is to implement higher rate increases than the other customer classes and make steady progress in cost recovery over time. Because these are small customer areas, the impact on revenue, even while under-recovering, is negligible (i.e., about 1.5% of revenue). Staff continue to monitor these areas' COS and rates closely.

### Volume Water Rates

The multi-colored attachment, “Proposed 2024 Water Rates,” shows the staff recommendation for volume water rate increases for Des Moines and Full Service customers, most of which are proposed at 6.0%. Where the COS shows several customer classes significantly under-recovering costs, rate increases are proposed at 10.0%.

Based on COS results, staff recommends a 6% increase for Wholesale Purchased Capacity customers, and a 3% rate increase for the Wholesale With Storage customer class.

#### **Capital Improvement Fees**

Staff recommends no change in the capital improvement fees for Des Moines Inside City, Unincorporated Polk County, or Windsor Heights customers. For Des Moines Inside City and Polk County, the capital improvement fee is a decreasing block structure where the declining consumption blocks mirror that of the water volume rate. Windsor Heights has a uniform water rate and capital improvement fee.

#### **Availability Fees**

Staff proposes to increase the monthly water availability for Berwick and PCRWD (a.k.a. Polk County Rural Water District #1 or “Saylor Township”) by \$1.00, as their availabilities are \$3.00 and \$4.00 respectively. This is inequitable to Des Moines Inside City’s availability of \$6.00 per month (for a typical residential meter) and is the result of past contractual negotiations. There is no cost-of-service basis for a lower water availability in these areas. The proposal is to increase availability fees in Berwick and PCRWD over the next two years to a level that at least matches Des Moines’ availability.

Other than the changes to availability fees as discussed above, staff recommends no change to availability fees. A summary of proposed availability fees by meter size is shown below.

#### **Monthly Availability by Meter Size**

<b>Service Area</b>	<b>5/8"</b>	<b>3/4"</b>	<b>1"</b>	<b>1 1/2"</b>	<b>2"</b>	<b>3"</b>	<b>4" &amp; Above</b>
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	\$5.00 <sup>1</sup>						
Berwick	\$4.00 <sup>2</sup>						
Runnells	\$6.00						
Cumming	\$9.00						
Alleman	\$6.00	\$8.00	\$11.00	\$35.00	\$60.00	\$150.00	\$250.00

All rates and fees are proposed to be effective April 1, 2024.

<sup>1</sup> Proposed increase to \$5.00 from \$4.00

<sup>2</sup> Proposed increase to \$4.00 from \$3.00

## **Looking Ahead**

### **Wholesale Water Rates**

In recent years, Board and staff have discussed transitioning to a different wholesale rate structure that would distribute costs more equitably to wholesale customers within the Purchased Capacity and With Storage classes based on the demands each customer places on the system. These changes have not been implemented pending the outcome of regionalization discussions. As the Central Iowa Water Works (CIWW) 28E is anticipated to be signed by the effective date of the new rates, staff is not recommending changes to the wholesale water rate structure at this time. Two wholesale customers, Altoona and Bondurant, have formally communicated their decision to not participate in CIWW. This change in wholesale rate structure is proposed to be implemented for these wholesale customers (and any others who choose not to participate) effective with the next rate cycle in 2025 or after the Operational Commencement Date of CIWW.

### **Affordability and Retail Rate Study**

Water affordability and designing retail water rate structures to encourage wise use of water are important conversations in the water industry today. A study with Raftelis is underway to evaluate water affordability and DMWW's retail rate structure considering modern objectives of a sustainable water system. Recommendations from this study will be presented to the Board before year-end and will be considered for implementation of 2025 rates and fees.



**AGENDA ITEM FORM**

**SUBJECT: Proposed 2024 Budget – Establish a Public Hearing as the Date of the November 2023 Board Meeting**

**SUMMARY:**

- The budget for 2024 is based on total operating revenue of \$91.8 million.
- The proposed operating budget totals \$60.9 million which is an increase of 4.7% (or \$2.7 million) over the approved 2023 budget. Moderate increases in operating labor, chemicals, and purchased services are the largest contributors to the increase of the operating budget.
- Capital expenditures budgeted for 2024 total \$69.4 million. The budget includes \$3.3 million of capital projects to be funded with State Revolving Fund loans. There is \$17.2 million budgeted for the continuing costs of expanding the Saylorville Water Treatment Plant, including the expansion of raw water, expansion of the treatment plant, and construction of necessary feeder mains. These expansion projects are expected to be funded through regional participation.

See the attached memo for detailed information concerning the proposed 2024 budget.

These materials were discussed at the October Finance & Audit committee meeting on October 3, 2023.

**FISCAL IMPACT:**


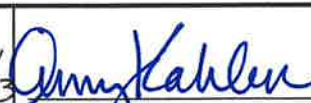

This budget establishes the 2024 operations and capital replacement needs for the utility and identifies funding sources to support the utility's operating and capital expenses.

**RECOMMENDED ACTION:**

Establish the date of Public Hearing as the date of the November 2023 Board meeting to act on the approval of the 2024 budget and direct staff to publish notice as set forth in the Board Policy Manual.

**BOARD REQUIRED ACTION:**

Motion to establish the date of Public Hearing as the date of the November 2023 Board meeting to act on the approval of the 2024 budget and direct staff to publish notice as set forth in the Board Policy Manual.

 Michelle Holland, CPA Controller	 Amy Kahler, CPA Chief Financial Officer	 Ted Corrigan CEO & General Manager
10/25/23 (date)	10/23/23 (date)	10/31/23 (date)

Attachments: 2024 Budget Memo

DATE: September 28, 2023

TO: Ted Corrigan, CEO & General Manager

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

SUBJECT: Proposed 2024 Budget

The attached document contains the following:

2024 Budget Highlights

2024 Overview of Budget Process

Proposed 2024 Budget Summary and Comparison to 2023 Budget

Details of Proposed Revenue, Additional Funding, Operating Expenses, and Capital Expenses

Summary of Expenditures 2020-2024

Future Capital Expenses

2024 Operating Work Plans Recommended for Funding

2024 Capital Work Plans Recommended for Funding

Appendix: DMWW Budget Process & Timeline



# 2024 Budget Highlights

## PUMPAGE

**18.2 BILLION GALLONS**

- Based on 7-year average pumpage
- 17.7 billion gallons in 2023 budget

## WATER REVENUE

**\$84.8 MILLION**

(\$5.8 million or 7.3% higher than 2023 budget)

## HEADCOUNT

Additional staff in 2024 Budget:

- +2.0 Engineering
- +1.0 Information Technology
- +2.0 Water Distribution
- +1.0 Water Production
- +1.0 Central Stores

## OPERATING EXPENSES

**\$60.9 MILLION**

(\$2.7 million or 4.7% higher than 2023 budget)

## CAPITAL EXPENSES

**\$69.4 MILLION**

(Capital budget in 2023 was \$62.5 million)

## CAPITAL PROJECTS FUNDED BY DMWW DEBT (SRF)

**\$3.3 million**

### CONTINUED CAPITAL EXPENSES FOR:

- ASR Well                      \$3.3 million

## CAPITAL PROJECTS FUNDED WITH REGIONAL PARTICIPATION

**\$17.2 million**

### CONTINUED CAPITAL EXPENSES FOR:

- SWTP Raw Water Expansion    \$ 3.5 million
- SWTP Plant Expansion        \$ 4.1 million
- SWTP W Feeder Main         \$ 9.2 million
- Tenny-LP Moon Feeder Main   \$ 0.4 million

## CAPITAL PROJECTS FUNDED BY UTILITY REVENUES (\$31.8 million) & OTHER FUNDING SOURCES (\$2.0 million)

Water Main Replacement (Des Moines, Polk County, Pleasant Hill, Windsor Heights)  
Installation of VFD on West High Lift Pumps                      Upgrade to Generator Control System  
Modifications to Distribution Building                              Improvement of SCADA Network  
Rehabilitation of Collector Wells at McMullen                      DM River Well Field  
UF and RO Membrane Replacement at SWTP                        Continuing Basin Reclaiming  
Ongoing Departmental Capital – Customer Service, I.T., Water Distribution, Water Production  
Several other projects at Fleur Drive Treatment Plant, McMullen Treatment Plant and  
Saylorville Treatment Plant

## 2024 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.

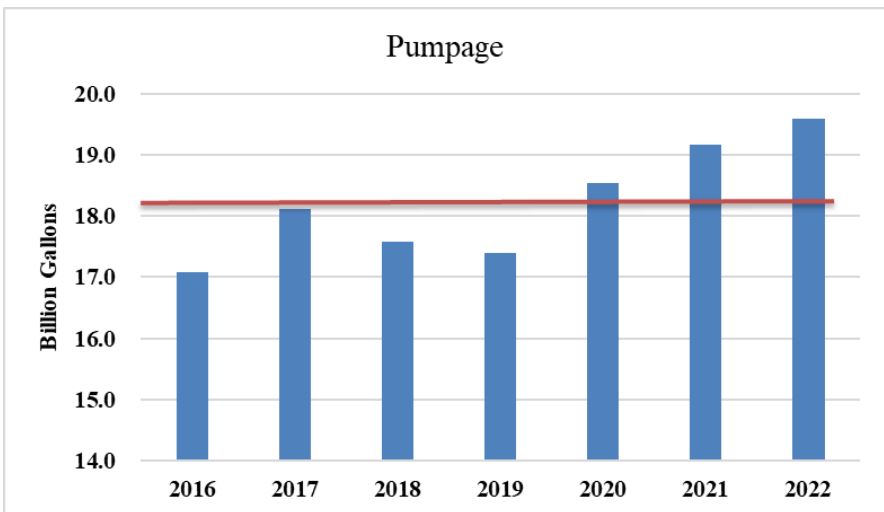
Budget files for operating and capital expenses are created by Finance. These files include prior year budget and actual information for comparative purposes and are created uniformly so that they total into a utility-wide budget. Additionally, there are several monthly financial reports to aid budgeters 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 water pumpage, which is used to budget water revenue and production at each treatment plant. Actual pumpage varies from year to year and is somewhat unpredictable. Weather has a significant impact on pumpage.

The pumpage budget for 2024 is 18.2 billion gallons. The 2024 pumpage budget was calculated based on the average annual pumpage for the last seven years. This is an increase of 500 million gallons from the 2023 budget. By budgeting an average pumpage level, rather than any extreme, there is less likelihood of being significantly different than budget.

The chart below shows the last seven years of pumpage.



The annual pumpage number drives several components of the budget:

**1. Water Revenue Budget**

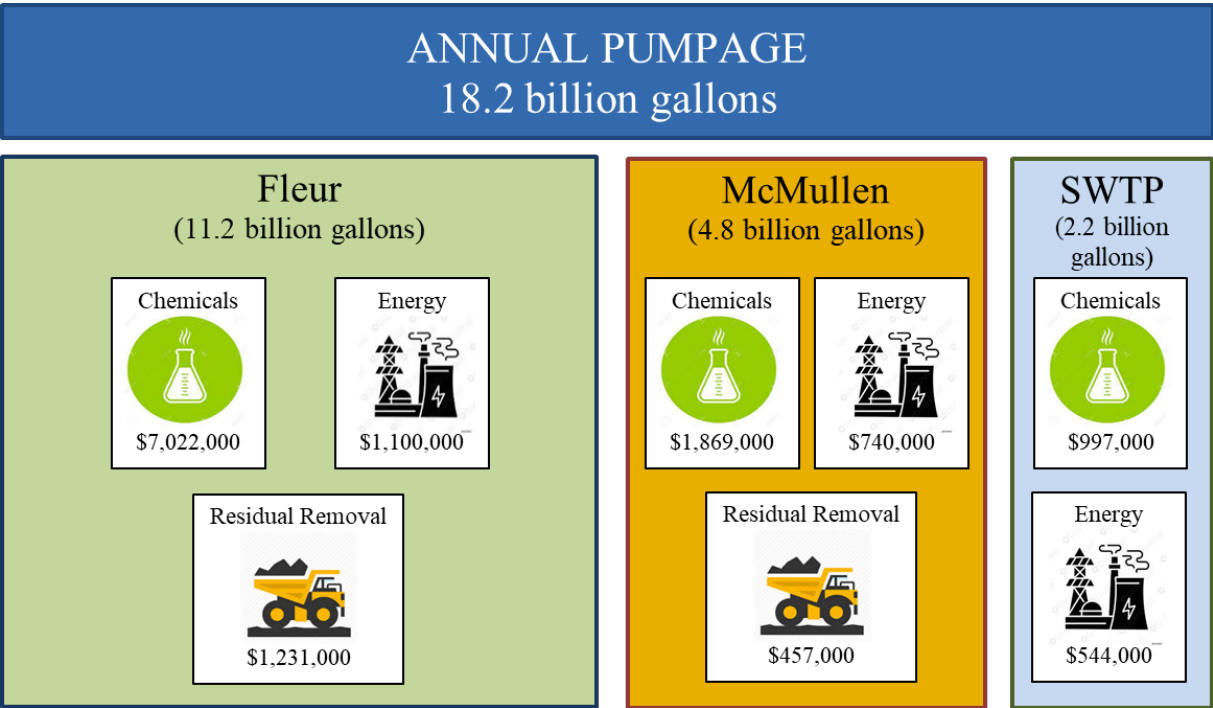
From the budgeted pumped gallons, a “billed consumption” number is calculated. On average, approximately 90% of water pumpage is billed. The 10% unbilled water represents main breaks, hydrant flushing, fire service, water used in production, and free water provided to the City of Des Moines.

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

**2. Production at Treatment Facilities**

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. The ongoing mission of water treatment at DMWW is to maintain a consistent finished product despite dynamic changes in raw water quality and quantity. Therefore, day-to-day decisions are made to provide an adequate supply of water from each treatment plant in a manner that balances the factors of finished water quality, overall treatment expense, and regulatory compliance.

The graphic below shows the allocation of budgeted pumpage and costs across the three treatment plants.



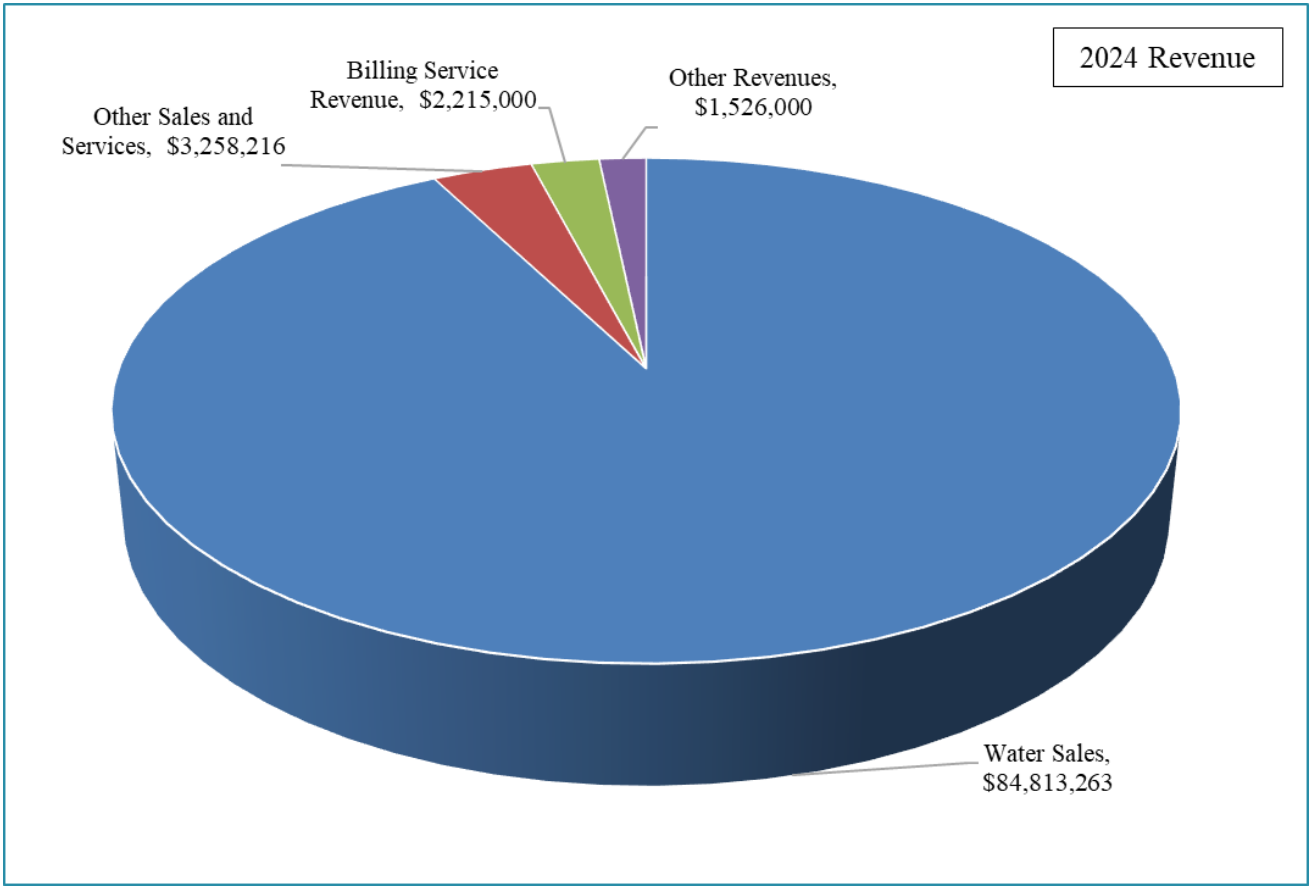
**DES MOINES WATER WORKS**  
**PROPOSED 2024 BUDGET SUMMARY AND COMPARISON TO 2023 BUDGET**

	<b>2024</b>	<b>2023</b>	<b>Percentage</b>
	<b>Proposed Budget</b>	<b>Approved Budget</b>	<b>Change</b>
<b>REVENUE:</b>			
Water sales	\$ 84,813,263	\$ 79,059,795	7.3%
Penalties and fees	450,000	375,000	20.0%
Other sales and services	3,258,216	3,023,245	7.8%
Billing service revenue	2,215,000	2,166,000	2.3%
Land & building use revenue	216,000	216,000	0.0%
Connection Fees	600,000	400,000	50.0%
Interest income	260,000	195,600	32.9%
Total revenue available for expenses	\$ 91,812,479	\$ 85,435,640	7.5%
<b>ADDITIONAL FUNDING:</b>			
Unspent funds carried over from prior year's approved budget	\$ 15,047,830	\$ 1,269,980	1084.9%
Development Plan Review	60,000	78,600	(23.7%)
Capital projects funded by outside entities	1,431,000	25,000	5624.0%
Projects funded by SRF proceeds (DMWW Debt)	3,344,754	6,271,686	(46.7%)
Projects funded through regional participation	17,170,323	24,391,805	(29.6%)
American Rescue Plan Act (ARPA) funds through City of Des Moines	500,000	1,500,000	(66.7%)
Funds received for capacity in feeder main (Ankeny)	-	500,000	(100.0%)
PY Excess Revenues to offset regionalization expense	1,080,000	1,130,000	(4.4%)
Total additional funding available for expenses	\$ 38,633,907	\$ 35,167,071	9.9%
<b>Total revenue and additional funding</b>	<b>\$ 130,446,386</b>	<b>\$ 120,602,711</b>	8.2%
<b>EXPENSES:</b>			
<i>Operating expenses:</i>			
Labor	\$ 18,192,527	\$ 17,310,594	5.1%
Benefits	10,154,070	10,103,000	0.5%
Chemicals	9,887,667	8,952,971	10.4%
Residual Removal	1,687,768	2,317,346	(27.2%)
Utilities	3,556,686	3,149,500	12.9%
Gasoline/Fuel	304,232	382,680	(20.5%)
Purchased Services	9,507,188	8,673,504	9.6%
Training	290,275	251,270	15.5%
Materials and Equipment	4,472,000	4,371,355	2.3%
Insurance	1,830,200	1,625,000	12.6%
Postage	425,000	450,000	(5.6%)
Telephone	308,628	288,735	6.9%
Casualty Loss	110,000	110,000	0.0%
Loss on Bad Accounts	150,000	155,000	(3.2%)
Subtotal - Operating expenses	\$ 60,876,241	\$ 58,140,955	4.7%
<i>Capital expenditures:</i>			
Requests for new capital projects	\$ 54,352,315	\$ 61,191,776	(11.2%)
Multiple-year capital projects began before 2024 (carryover)	15,047,830	1,269,980	1084.9%
Subtotal - Capital expenditures	\$ 69,400,145	\$ 62,461,756	11.1%
<i>Debt service obligations:</i>			
Des Moines Water Works' direct obligation	\$ 170,000	\$ -	-
<b>Total projected uses</b>	<b>\$ 130,446,386</b>	<b>\$ 120,602,711</b>	8.2%
Net position of revenues to expenses	0	0	

# REVENUE PROJECTIONS

Operating revenue for 2024 is budgeted at \$91.8 million. This is an increase of approximately \$6.4 million, or a 7.5% increase over the approved 2023 budget.

This revenue budget includes 18.2 billion gallons of pumpage which is 500 million gallons higher than the 2023 budget of 17.7 billion gallons. The 2024 budget includes volume rate increases of 6% for most retail customers<sup>1</sup> and for the wholesale Purchased Capacity customer class<sup>1</sup>. These rates will be effective on April 1, 2024. Capital improvement fees remain unchanged in the 2024 budget. Water availability fees remain largely unchanged in the 2024 budget.<sup>1</sup>



**Water Sales** are the most significant source of operating revenue, making up approximately 92% of total revenue. Water sales are budgeted to be \$84.8 million in 2024 which is \$5.8 million higher than the 2023 water sales budget.

**Other Sales and Services** are budgeted at nearly \$3.3 million. These revenues represent amounts budgeted within the departmental work plans. This includes reconnect fees, stop box repairs, distribution system repairs, lab testing, etc.

<sup>1</sup> Detailed rate recommendations are discussed in a separate memo within distributed Finance & Audit materials.

**Billing Service Revenue** is budgeted at nearly \$2.2 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 roughly \$1.5 million and is made up of:

Penalties & Fees	\$450,000
Connection Fees	\$600,000
Land & Bldg Lease Revenue	\$216,000
Interest Income on Invested Reserves	\$260,000

**Additional funding** is made up of several components in the 2024 budget:

- Unspent funds that have been carried over from the prior year’s budget
- Iowa State Revolving Fund (SRF) Loans
  - The design and partial construction of an ASR well at the Polk County Pump Station site is budgeted to be funded with an SRF loan.
- Regional Participation
  - Capital projects to be funded through regional participation:
    - The initial ongoing design costs and targeted analyses related to expanding both the source and treatment elements of the Saylorville Water Treatment Plant from 10 MGD to 20 MGD.
    - Substantial construction of a feeder main that will provide connectivity from the Saylorville Water Treatment Plant to critical feeder mains located near Merle Hay Road and I-80.
    - Design and initial construction of the Tenny to LP Moon Feeder Connection project, a 24” feeder main on Hickman Road from Merle Hay Road to 70<sup>th</sup> Street that will enhance future flows west toward LP Moon Pumping and Storage Facility.
- West Des Moines
  - Anticipated funding from West Des Moines for the installation of a control valve and actuator to balance flow between Fleur Drive Water Treatment Plant and the McMullen Water Treatment Plant.
- American Rescue Plan Act of 2021 (ARPA) Funds from City of Des Moines.
  - City of Des Moines indicated they would be willing to direct a total of \$2.0 million towards water main replacement and/or alterations for city projects. The 2024 budget includes \$500,000 of ARPA funding.

- **Prior Year Excess Revenues**  
Pumpage and water revenue have exceeded budget for the last several years and operating expenses have generally been favorable to budget as well. These factors have resulted in excess cash reserves. The 2024 budget includes infusing nearly \$1.1 million of the excess cash to offset the one-time regionalization expenses that are included in the budget. Much of these regionalization expenses were budgeted in a prior year but have remained unspent; hence, use of prior year excess revenues is deemed appropriate.

## **EXPENSE BUDGET**

There are three primary components of the expense budget:

### **1. Operating Expense Budget**

While pumpage is determined at the top level and pushed down, the operating expense budget is built from the ground up. To derive a budget, a set of assumptions must be used to calculate expenses. Historical data and estimates of future per-unit costs are two factors used to estimate direct treatment costs.

For example, one project within the Distribution System Maintenance work plan is “Repairs – Broken Mains.” The number of main breaks is budgeted using an average over the last several years. Once the number of main breaks is determined, the future cost elements of fixing a main break are projected. 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.

### **2. Capital Expense Budget**

A similar process is followed 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.

### **3. Staffing Budget**

Finally, during the departmental review meetings, discussions take place on current staffing levels and requests for additional staff. Senior managers who request staff additions provide information on the need for additional staff and justification for how additional staff will help meet strategic objectives and address current and future challenges. Similar to balancing revenue to expenses, there are more staff requests than available funding. Requests for staff additions are prioritized by the review team based on several factors: including critical business needs, strategic priorities, and succession planning.

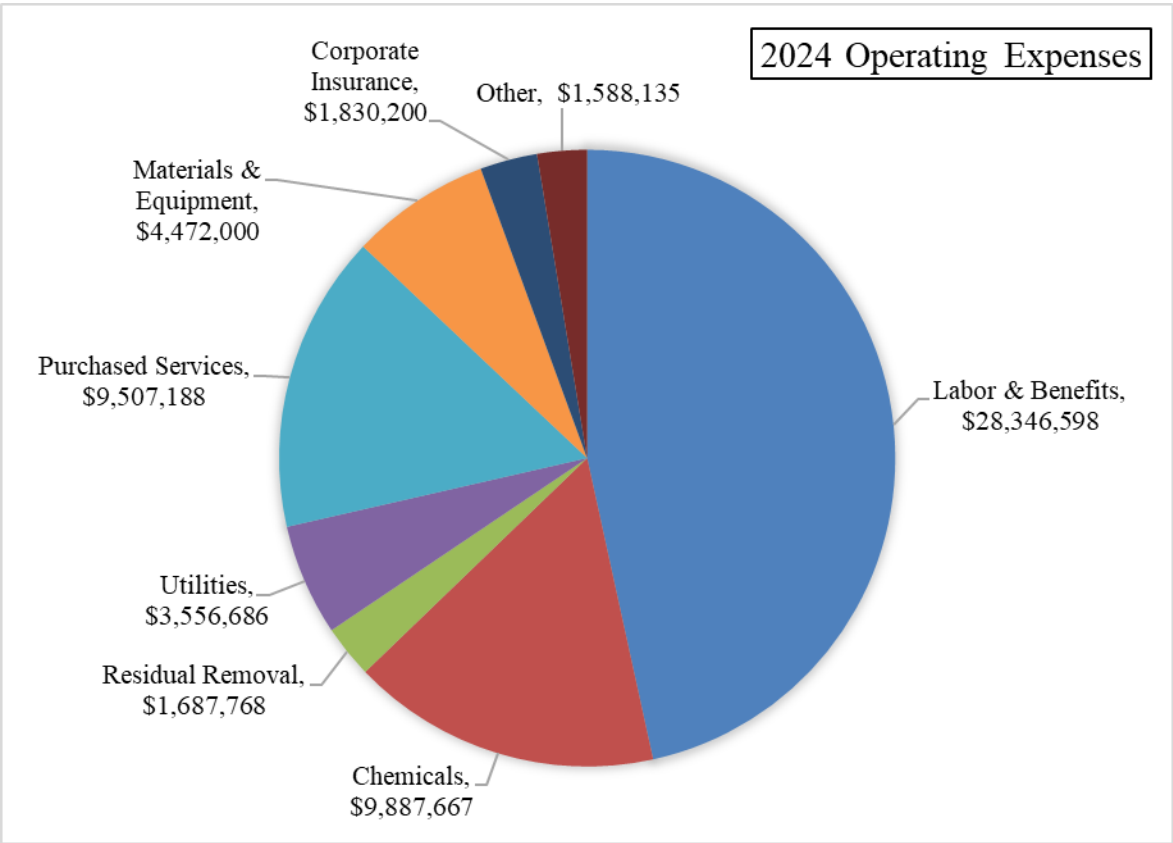
Each of these three components is discussed in more detail below.

**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 nearly \$60.9 million. This is an increase of 4.7% or approximately \$2.7 million from the approved 2023 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 2024 operating budget:

Operating Budget		
Year	Operating Budget	Increase
2020	\$ 48,545,551	5.4%
2021	\$ 50,738,899	4.5%
2022	\$ 53,046,346	4.5%
2023	\$ 58,140,955	9.6%
2024	\$ 60,876,241	4.7%





The components of the 2024 operating budget compared to the 2023 operating budget are shown in the table below with more detailed explanations on the following pages.

Operating Expenses	2024 Bgt	2023 Bgt	Change
Labor	\$ 18,192,527	\$ 17,310,594	\$ 881,934
Benefits	10,154,070	10,103,000	51,070
Chemicals	9,887,667	8,952,971	934,696
Residual Removal	1,687,768	2,317,346	(629,578)
Utilities	3,556,686	3,149,500	407,186
Gasoline/Fuel	304,232	382,680	(78,448)
Purchased Services	9,507,188	8,673,504	833,684
Training	290,275	251,270	39,005
Materials and Equipment	4,472,000	4,371,355	100,645
Insurance	1,830,200	1,625,000	205,200
Postage	425,000	450,000	(25,000)
Telephone	308,628	288,735	19,893
Casualty Loss	110,000	110,000	-
Loss on Bad Accounts	150,000	155,000	(5,000)
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 60,876,241</b>	<b>\$ 58,140,955</b>	<b>\$ 2,735,287</b>

Operating **Labor** is budgeted nearly \$900,000 higher than the 2023 budget. There are approximately 10,000 more hours being budgeted in operating projects in 2024. Some of the increase is a result of adding staff in the 2024 budget, which affects both operating and capital labor hours. There is an increase of 5.3 full-time-equivalents in the 2024 budget compared to the 2023 budget. Most of the increase is in the operations/engineering departments. Additionally, labor rate increases also contribute to the growth in labor expense.

**Benefit** expenses are relatively flat compared to the 2023 budget. The cost of the DMWW contribution to employees' medical premiums is budgeted to increase \$352,000 in 2024 based on the moderate increases we've been incurring the last few years. Along with a labor rate increase comes increases to those benefits tied to wages, such as FICA taxes, DMWW contribution to IPERS, and the deferred compensation plan. This accounts for \$182,000 of the overall increase. Offsetting these increases is a budgeted reduction of the actuarial defined contribution to the DMWW Pension Plan. It is budgeted at \$1.2 million in 2024, which is \$500,000 lower than the 2023 budget of \$1.7 million. The actual contribution to the pension plan in 2023 is \$980,000.

**Chemical expenses** are budgeted to increase 10.4%, or nearly \$935,000 in 2024. Some of the increase is a result of increasing budgeted pumpage from 17.7 billion gallons in 2023 to 18.2 billion gallons in 2024. Chemical prices appear to be leveling off from record increases in the past few years.

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 2024

budget. 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 down nearly \$630,000. Each year, the Fleur and McMullen treatment plants produce lime residuals. The residuals at Fleur are removed as produced. The 2024 budget assumes removal expenses for 45,000 tons of Fleur residual material. The contract for residual removal was renewed in 2023 with a lower cost per ton, which equates to a decrease of \$344,000 compared to the 2023 budget.

Residual removal expenses at McMullen are minimal in 2024. This results in \$285,000 of lower expenses compared to the 2023 budget. 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 from the lagoon to the drying area, when they move materials to off-site storage, and when they move material to the final disposal site. In 2023, the west lagoon will be filled with residuals and the east lagoon will have residual material drying. The 2024 budget assumes the remaining 20,000 tons of material in the drying area will be hauled to the final disposal site. There are no costs in the 2024 budget, nor were there any in the 2023 budget, for expenses related to hauling materials from a lagoon to the drying area or to off-site storage.

**Utilities** expenses are up 12.9%, or \$407,000, in 2024. Most of the utility expense is electricity used in the treatment process. The increase in budgeted pumpage and actual electric costs per million gallons of treatment accounts for much of the increase.

**Gasoline/Fuel** expenses are down \$78,000 due to lower costs budgeted for fuel and diesel.

**Purchased Services** are up 9.6% from the 2023 budget. Many categories of purchased services have gone up a moderate amount including I.T. maintenance security services, stop box repairs, processing fees for electronic payments, services related to printing and mailing of DMWW bills, and services relating to facility maintenance.

Regionalization expenses of nearly \$1.1 million have been included in the 2024 budget. These budgeted expenses represent primarily the initial start-up contribution assigned to DMWW. The 2023 budget included nearly the same amount; however, these expenses have been largely unspent due to ongoing regionalization discussions. There is offsetting funding for this expense from prior year excess revenues.

Purchases Services budgeted in 2024 by category are shown in the table below:

Purchased Services	2024 Proposed Budget
PILOT	\$ 1,309,000
Regionalization	1,080,000
I.T. Maintenance Contracts	1,124,000
Plant Maintenance	819,000
Remote Site Maintenance	350,000
Distribution Maintenance/Repair	280,000
Stop Box Repairs	280,000
Banking/Audit/Payroll Fees	178,000
Credit Card/E-check/Bill-pay Fees	236,000
Mail Processing	216,000
Security	686,000
Facility Maintenance	293,000
GDMBG annual payment	50,000
Public Policy/Watershed Initiatives	164,000
“Other” Services (numerous)	<u>2,442,188</u>
Total	<b>\$ 9,507,188</b>

**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 2.3% higher in 2024, which equates to \$101,000.

**Corporate Insurance** expenses include the premium cost for the utility’s insurance policies along with budgeted costs for workers’ compensation claims. The 2024 budget assumes premium expenses will increase by \$105,000 and workers’ compensation claims will increase by \$100,000 based on historical trends in claims.

**Other** expenses include postage expenses, telephone, casualty losses, training, bad debt write-off, etc. The amount budgeted for 2024 is approximately \$10,000 lower than the 2023 budget.

Details of all the Operating Work Plans and the comparison between the 2024 Proposed Budget and the 2023 Approved Budget begin on page 20.

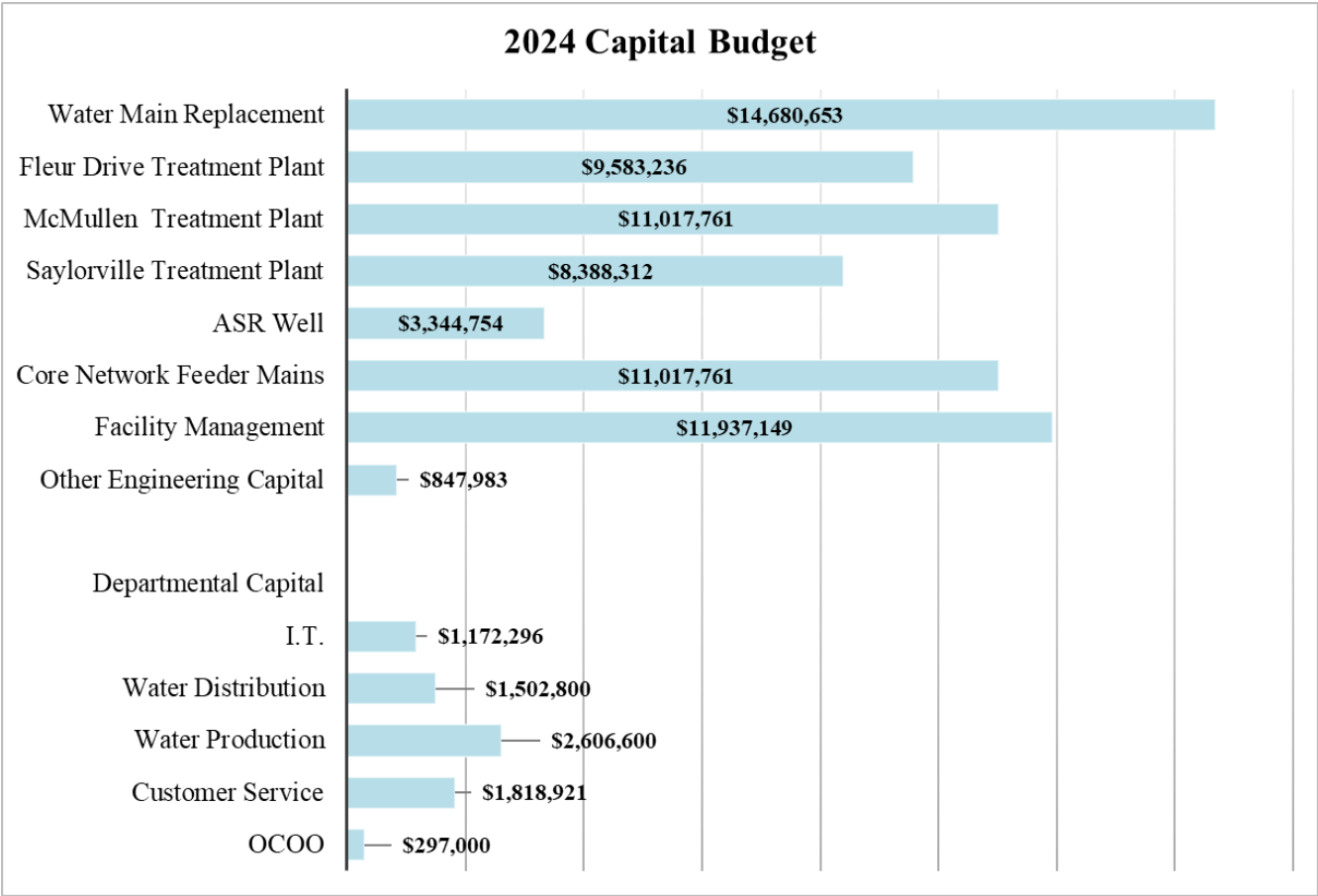
**Capital Expense Budget**

The 2024 capital budget includes \$69.4 million of capital requests.

Approximately \$15.0 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 some capital spending to carry forward into a new budget year.

Other funding sources for capital projects included in the 2024 budget include \$3.3 million of SRF loans, \$17.2 million through regional participation, \$500,000 of ARPA funds from City of Des Moines, \$1.4 million for a core feeder main control valve project funded by West Des Moines, and roughly \$100,000 from other sources.

That leaves approximately \$31.8 million of capital projects from the utility’s revenue in 2024. This compares to \$28.4 million of capital projects budgeted from the utility’s revenues in 2023.



Water main replacement is budgeted at \$14.7 million in 2024. This amount includes main replacement in Des Moines, Pleasant Hill, Windsor Heights, and the unincorporated Polk County service area. In Des Moines and Polk County, staff continues to coordinate with the City of Des Moines, Polk County, and IDOT to integrate water system improvements within others’ contracts, while also preserving funds to generate our own water main replacement contracts. One programmed construction project is

slated for Windsor Heights. Pleasant Hill funds are aimed at design and initial construction efforts for a new control valve and a booster station rehabilitation.

Projects budgeted at the Fleur Drive Treatment Plant are varied. On the electrical and control side, projects involving an upgrade to our generator control system, a variable frequency drive on a high service pump, and a SCADA Master Plan remain in the budget. The filter plant will see replacement media in four filters while ongoing pilot testing and design work occurs in 2024. Preliminary engineering for carbon dioxide and powdered activated carbon remain in the budget, but the schedule has been slowed slightly. Design efforts related to a Des Moines River Alluvial well field to supply Fleur remains in the budget, as do basin rechaining and a variety of smaller projects.

The McMullen Treatment Plant budget includes projects for rehabilitating a collector well, replacing ferric chloride storage tanks and feed lines, increasing storage and feed capacity for powdered activated carbon, and installation of an isolation valve to isolate well #5 from the raw water system.

The Saylorville Water Treatment Plant budget contains the initial ongoing design costs and targeted analyses related to expanding both the source and treatment elements of the plant from 10 MGD to 20 MGD. The total of these two projects budgeted in 2024 is \$7.6 million and is expected to be funded through regional participation. There are also projects budgeted for ongoing replacement of the RO and UF membranes.

Design and partial construction of a new ASR well at the Polk County Pump Station site is included in the 2024 budget at \$3.3 million. This project is expected to be financed with SRF loan proceeds.

The Core Network Feeder Main work plan contains two projects related to the overall expansion at the Saylorville Water Treatment Plant. One is an extension of an existing feeder main in Johnston to allow a direct feeder main connection from the Saylorville Water Treatment Plant to existing feeder mains located near Merle Hay Road and I-80. The design of the first project will be complete in 2023 and substantial amounts of construction are planned for 2024. The second project is a feeder main connection on Hickman Road that will enhance flows from Tenny Standpipe and the Fleur Drive Water Treatment Plant to the LP Moon Pumping and Ground Storage site located in Clive. Design work should be completed early in 2024 with initial construction efforts beginning in the latter half of 2024. Both projects will bring immediate operational benefit in advance of the plant expansion. The amount budgeted in 2024 for both projects is \$10.6 million and is expected to be funded through regional participation. Additionally, a project estimated at \$1.4 million to install a control valve and actuator to balance flow between the Fleur Drive Water Treatment Plant and McMullen Treatment Plant will be funded by West Des Moines Water Works. Balancing flow at this critical point on the feeder main system is necessary to allow the Fleur Drive Water Treatment Plant to supply peak flows associated with new data centers planned in West Des Moines.

Facility Management projects include funds for restoration of concrete at the Hazen Tower. Tower restoration and replacement are proposed to follow in subsequent years. At the Fleur Drive Water Treatment Plant, modification to the distribution building (including demolition of the former ramp

and repurposing of the former upper garage area), replacing the elevator in the chemical building, HVAC improvements, and closed loop cooling systems are included in the proposed budget. The McMullen Treatment Plant will see replacement of the trucking scale that is integral to sludge hauling operations. There are several projects budgeted to continue efforts to address safety concerns, replace or improve structural elements of facilities such as roofs, stairs, floors, and concrete.

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

The I.T. capital budget includes \$550,000 to upgrade the CIS Infinity System to the latest version and to include a new Customer Engagement Portal. The I.T. budget continues to include funds for upgrading and replacing client hardware, network infrastructure, and cybersecurity controls.

The Water Distribution capital budget includes funds for replacing hydrants and valves, replacing large tools to perform field tasks, as well as other upgrades.

The Customer Service budget provides for meter replacement and automated meter reading equipment (e.g., MTU) change-outs.

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 32.

## Summary of Expenditures

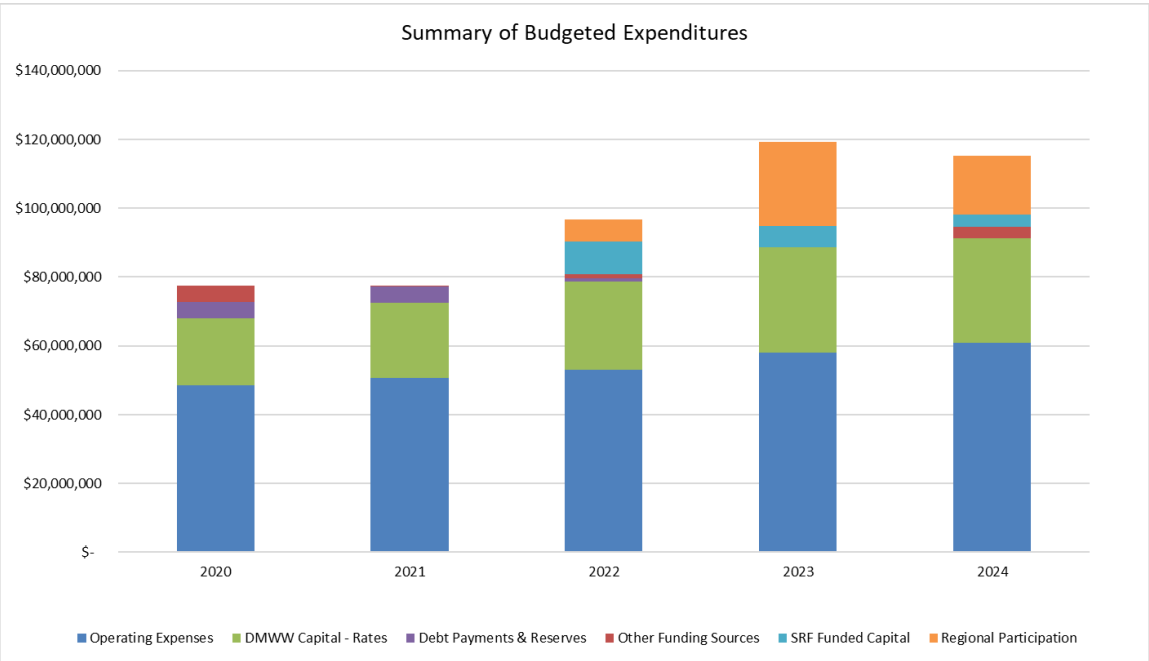
The following chart shows five years of budgeted cash expenditures in key categories. As expected, due to rising costs, operating expenses and DMWW funded capital expenses have steadily increased over the five-year period.

Debt service payments were fairly consistent from 2018-2021. The 2012A and 2012B bonds were paid off in 2021. There were minimal debt service payments budgeted in 2022, none in 2023, and minimal payments are budgeted in 2024. The ASR well, which is the only project budgeted in 2024 to be paid through SRF debt funding, is expected to start construction in 2024. While planning and design costs are borrowed at 0% interest for a period up to three years, entering the construction phase of the project triggers the commencement of loan payments.

The budget to increase operating reserves was budgeted at \$500,000 for 2019-2022. This has been removed from the 2023 and 2024 budgets as operating reserves will be increased from prior years' excess cash.

Capital projects with other funding sources 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. The 2024 budget includes \$500,000 for expected funds received from ARPA through the City of Des Moines and \$1.4 million from West Des Moines Water Works for installation of a control valve and actuator to supply peak flows associated with new data centers planned in West Des Moines.

Finally, the 2022-2024 budgets include capital projects to be funded by SRF borrowings and regional participation.



## Future Capital Expenses

There are significant dollars budgeted in 2024 for projects that will take more than a year to construct or implement. The chart below shows the expenses budgeted in 2024 along with an estimate of the total cost of the project. Several of these projects have incurred expenses prior to 2024 but still have expenditures to be budgeted in future years. These 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.

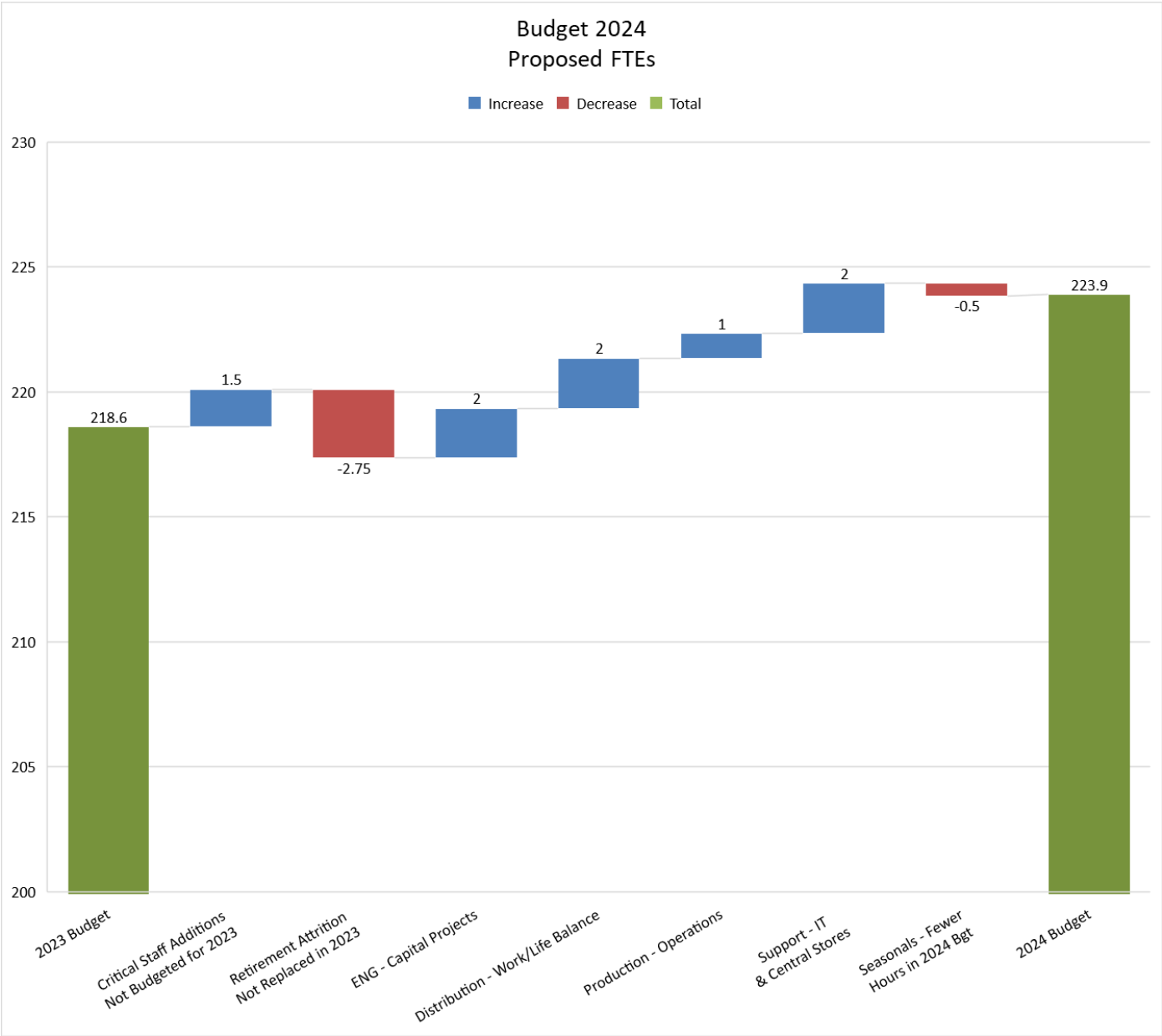
Projects	2024	Total Project Cost
<b>Funded with DMWW Debt (SRF)</b>		
ASR @ Polk County Pump Station	\$ 3.3	\$ 9.5
<b>Funded with Regional Participation</b>		
SWTP 10MGD Raw Water Expansion	\$ 3.5	\$ 56.2
SWTP 10MGD Plant Expansion	4.1	80.0
SWTP W Feeder Main Phase 3	9.2	11.2
Tenny-LP Moon Feeder Main	0.4	3.8
<b>Total</b>	<b>\$ 17.2</b>	<b>\$ 151.2</b>
<b>Funded by Rates</b>		
FDTP 5kV Switch Gear	\$ 1.1	\$ 6.9
FDTP Bulk PAC System	0.1	3.0
FDTP CO2 Feed	0.1	2.8
DM River Well Field	2.0	39.1
SCADA	0.8	12.5
FDTP Filter Plant Rehabilitation	0.5	48.8
FDTP Lime Sludge Filter Press	0.3	8.7
FDTP HVAC	0.0	0.4
FDTP Levee Gates	0.1	0.2
MWTP Safety Showers	0.2	0.4
MWTP PAC Storage-Feed	0.4	0.6
SEP-Bondurant Pump Station	0.4	3.6
WMR-Des Moines	9.7	7.9
WMR-Polk County	3.7	2.5
WMR-Pleasant Hill	0.6	1.8
<b>Total</b>	<b>\$ 18.8</b>	<b>\$ 132.2</b>



Staffing Budget

Labor and benefit costs make up a significant portion of the utility’s staffing budget and are a part of both the operating and capital budgets.

The 2024 budget provides for a net increase of 5.3 FTEs to staffing. This is comprised of 1.5 FTEs for critical staff additions in 2023, a reduction in 2023 of 2.75 FTEs lost in attrition not being replaced, and seven additional budgeted FTEs in 2024. The following graph provides additional information on staff changes.



The non-labor piece of benefit expenses is budgeted at roughly \$10.2 million and includes costs for insurance premiums, employer contributions to IPERS, deferred compensation, and social security taxes, contributions to the DMWW pension plan, and flex pay.

	2024 Proposed Budget	2023 Approved Budget	Percentage Change
<b>Labor</b>			
Operating	\$ 18,192,527	\$ 17,310,593	
Capital	2,855,557	2,676,795	
	<b>\$ 21,048,085</b>	<b>\$ 19,987,388</b>	5.3%
<b>Benefits</b>			
Insurance Premiums			
Employee Medical	\$ 4,266,470	\$ 3,914,000	
Retiree Medical	272,800	269,000	
Life/LTD/AD&D	68,300	61,600	
Retirement Expenses			
IPERS (9.44%)	1,954,300	1,865,900	
FICA taxes (7.65%)	1,583,700	1,512,100	
DMWW Pension	1,200,000	1,700,000	
Deferred Compensation	392,100	376,800	
Flex Dollars	390,900	378,100	
Car Allowance	25,500	25,500	
Total Benefits	<b>\$ 10,154,070</b>	<b>\$ 10,103,000</b>	0.5%
<i>% of total labor</i>	<i>48.2%</i>	<i>50.5%</i>	
<b>Total Labor &amp; Benefits</b>	<b>\$ 31,202,155</b>	<b>\$ 30,090,388</b>	3.7%

## 2024 Operating Work Plans Recommended for Funding

OFFICE OF THE CHIEF EXECUTIVE OFFICER (CEO)	2024 Proposed Budget	2023 Approved Budget	\$ Diff	% Diff
<b>Board Activities</b>	\$ 1,287,747	\$ 1,327,026	\$ (39,279)	-3.0%
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. <b>The 2023 budget included nearly \$1.1M for regionalization expenses that are largely unspent. The same level of funding is budgeted in 2024.</b>				
<b>CEO Office Operations</b>	\$ 306,646	\$ 234,254	\$ 72,392	30.9%
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 and other utilities. <b>The 2024 budget includes \$75,000 to address climate action planning.</b>				
<b>Business Strategy</b>	\$ 197,162	\$ 188,976	\$ 8,187	4.3%
Provides for the costs associated with the visionary leadership of the utility which includes supervisor meetings, senior management team meetings, and CEO walk-arounds.				
<b>Project Management</b>	\$ 52,376	\$ 98,635	\$ (46,259)	-46.9%
Provides costs associated with managing the Energy Management System as well as operational projects as assigned by the CEO. <b>The 2024 budget assumes decrease of consulting hours.</b>				
<b>Public Policy - WS Advocate</b>	\$ 250,372	\$ 305,848	\$ (55,477)	-18.1%
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. <b>Lower level of spending - \$25,000 - on watershed planning initiatives in 2024 budget. Labor hours are reduced in 2024 budget to reflect where hours are actually being charged.</b>				
<b>TOTAL OFFICE OF THE CHIEF EXECUTIVE OFFICER (CEO)</b>	<b>\$ 2,094,303</b>	<b>\$ 2,154,738</b>	<b>\$ (60,435)</b>	<b>-2.8%</b>

## 2024 Operating Work Plans Recommended for Funding

CUSTOMER SERVICE	2024 Proposed Budget	2023 Approved Budget	\$ Diff	% Diff
<b>CS Administration</b>	\$ 134,787	\$ 91,717	\$ 43,070	47.0%
Captures the general and administrative costs of customer service, including training. <b>Increase is related to training expenses due to Dispatch and Backflow/Water Quality staff moving from Water Distribution to Customer Service.</b>				
<b>CS Contact Center and Data Quality</b>	\$ 905,849	\$ 917,857	\$ (12,008)	-1.3%
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.				
<b>Field CS and Water Quality</b>	\$ 1,496,898	\$ 1,553,231	\$ (56,333)	-3.6%
Includes the costs of field service workers in completing work orders, repairing meters, administration of contracted plumbers, and repairing stop boxes. <b>Labor hours reduced in 2024 budget to reflect where hours are actually being charged.</b>				
<b>CS Collections and Dispatch</b>	\$ 789,575	\$ 723,044	\$ 66,531	9.2%
This work plan provides a summary of the overall costs associated with 24-hour support for our utility, covering various areas, but with a particular emphasis on our Field Service and Distribution Field Operations. Additionally, it encompasses our collection efforts, which involve liens, in-house collections, and bad debt write-offs. It also houses the utility's emergency notification system. <b>Labor hours increased in 2024 budget to reflect Field Ops/Collection Supervisor's focus on the projects within this work plan. Prior Supervisor - Utility Incident Manager - had a broader focus within Water Distribution.</b>				
<b>Communications &amp; Public Relations</b>	\$ 203,428	\$ 265,900	\$ (62,473)	-23.5%
Provides for activities related to public relations, utility communications, website and social media support, graphics services, marketing, speaking engagements and treatment plant tours. <b>Decrease related to moving public relations and communications from outside consultant to internal staff.</b>				
<b>New Business, Community &amp; Economic Dev</b>	\$ 77,722	\$ 78,037	\$ (315)	-0.4%
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.				
<b>TOTAL CUSTOMER SERVICE</b>	\$ 3,608,259	\$ 3,629,786	\$ (21,528)	-0.6%

## 2024 Operating Work Plans Recommended for Funding

	2024 Proposed Budget	2023 Approved Budget	\$ Diff	% Diff
<b>FINANCE</b>				
<b>Finance Administration</b>	\$ 86,482	\$ 98,922	\$ (12,440)	-12.6%
Summarizes the administrative costs for the Finance department including clerical support, performance management, and training.				
<b>Financial Services</b>	\$ 3,816,623	\$ 3,594,566	\$ 222,057	6.2%
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 and the PILOT to City of Des Moines.				
<b>Corporate Insurance increase of \$105,000</b>				
<b>Workers Comp claims increase of \$100,000 due to claims trending</b>				
<b>Water Affordability Rate consultant. No budget in 2024, \$70k budget in 2023</b>				
<b>Labor increase \$85,000 - more hours moved back to this budget. 2023 hours included significant hours for implementing the new financial system (I.T. Capital)</b>				
<b>Payment Processing</b>	\$ 333,677	\$ 286,694	\$ 46,982	16.4%
Summarizes the costs to perform accounts receivable billing, collection, and balancing functions for the utility.				
<b>Processing fees related to electronic payments increased by \$41,000</b>				
<b>Mail Processing</b>	\$ 675,732	\$ 606,116	\$ 69,616	11.5%
Summarizes the costs to prepare and mail customer bills.				
<b>Increase in services related to outsourcing printing and mailing function</b>				
<b>Offset by decreased labor costs due to employee retirement.</b>				
<b>Purchasing &amp; Central Stores</b>	\$ 297,528	\$ 244,170	\$ 53,359	21.9%
Provides support to our internal customers for purchasing, warehousing and delivering of product in a cost effective and timely manner.				
<b>Additional FTE budgeted in 2024 to continue focus on internal customers due to increased deliveries, pick tickets, and maintenance of the warehouse.</b>				
<b>GDMBG In Kind Services</b>	\$ 50,000	\$ 100,000	\$ (50,000)	-50.0%
Summarizes the in-kind services provided to the GDMBG according to our agreement.				
<b>Per agreement, the level of contribution in 2024 is \$50,000</b>				
<b>TOTAL FINANCE</b>	\$ 5,260,041	\$ 4,930,468	\$ 329,573	6.7%

## 2024 Operating Work Plans Recommended for Funding

ENGINEERING	2024 Proposed Budget	2023 Approved Budget	\$ Diff	% Diff
<b>Engineering Management</b>  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. <b>Labor hours increased in 2024 budget to more accurately reflect where hours are actually being charged.</b>	\$ 403,868	\$ 348,053	\$ 55,815	16.0%
<b>Engineering Studies</b>  Covers the cost to conduct engineering studies to determine the feasibility of future capital projects as well as monitoring efforts around DMWW facilities. <b>2024 budget includes three projects: distribution system modeling, Pleasant Hill system study, and tower inspections.</b>	\$ 66,669	\$ 70,416	\$ (3,747)	-5.3%
<b>TOTAL ENGINEERING</b>	<b>\$ 470,536</b>	<b>\$ 418,469</b>	<b>\$ 52,068</b>	<b>12.4%</b>

## 2024 Operating Work Plans Recommended for Funding

<b>HUMAN RESOURCES</b>	<b>2024 Proposed Budget</b>	<b>2023 Approved Budget</b>	<b>\$ Diff</b>	<b>% Diff</b>
<b>HR Admin</b> Captures the general clerical and administrative costs of the Human Resources department.	\$ 125,110	\$ 116,386	\$ 8,723	7.5%
<b>Employee Relations</b> 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. <b>Increase due to additional funds being budgeted for union relations and workers compensation administration.</b>	\$ 291,232	\$ 262,181	\$ 29,051	11.1%
<b>Employment</b> Provides resources for recruiting and selecting quality new employees for vacant positions. Equal Employment Opportunity and affirmative action compliance is also assured.	\$ 136,660	\$ 134,903	\$ 1,757	1.3%
<b>Compensation Benefits</b> Includes costs associated with maintaining and enhancing a competitive, cost-effective and compliant employee compensation and benefits program. <b>The 2024 budget includes funds to perform a compensation study of benchmark CPS positions.</b>	\$ 180,719	\$ 143,266	\$ 37,453	26.1%
<b>Employee Learning &amp; Growth</b> Provides for the administration and coordination of utility-wide employee training, continual learning, career planning, and work-life balance initiatives. <b>The 2024 budget includes an increase for employee training as part of a multi-year DEI curriculum.</b>	\$ 69,421	\$ 81,723	\$ (12,302)	-15.1%
<b>TOTAL HUMAN RESOURCES</b>	<b>\$ 803,141</b>	<b>\$ 738,458</b>	<b>\$ 64,683</b>	<b>8.8%</b>

## 2024 Operating Work Plans Recommended for Funding

INFORMATION TECHNOLOGY	2024 Proposed Budget	2023 Approved Budget	\$ Diff	% Diff
<b>IT Administration</b> Captures the general and administrative costs of the I.T. department including: invoice processing, budget tracking, performance management and training. <b>Labor hours increased in 2024 budget to reflect where hours are actually being charged.</b>	\$ 248,436	\$ 222,325	\$ 26,111	11.7%
<b>Technical Services</b> 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. <b>Includes lower costs for Adobe annual maintenance and removal of temporary I.T. support.</b>	\$ 204,751	\$ 270,953	\$ (66,202)	-24.4%
<b>IT Development</b> Provides technical support for all applications and software components used for corporate computing. This includes application support and application development. <b>Lower budget in 2024 as Clevest related items were completed in 2023 and CIS Infinity upgrade is budgeted as a capital expense in 2024. Remaining funds are budgeted to address change orders in any of the systems.</b>	\$ 97,663	\$ 205,712	\$ (108,049)	-52.5%
<b>System Services</b> 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. <b>Includes a new FTE for network/telecom support.</b> <b>There are marginal increases in utilities and maintenance costs, as well as \$8,000 for a fail-over project at PCPS to allow for auto-failover in the event of a loss of primary communication.</b>	\$ 1,091,778	\$ 906,914	\$ 184,864	20.4%
<b>IT Services</b> 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. <b>Maintenance contracts for the various systems used at the utility continue to see annual increases. The largest increases are for the new financial system, NetSuite for Government along with a new integration software that will connect EAM, ADP, and CIS to NetSuite. Additionally, departmental software products have been added to the 2024 budget for lead service lines and document imaging.</b>	\$ 1,320,453	\$ 1,192,513	\$ 127,941	10.7%
<b>TOTAL INFORMATION TECHNOLOGY</b>	<b>\$ 2,963,081</b>	<b>\$ 2,798,416</b>	<b>\$ 164,665</b>	<b>5.9%</b>



## 2024 Operating Work Plans Recommended for Funding

OFFICE OF THE CHIEF OPERATING OFFICER (COO)	2024 Proposed Budget	2023 Approved Budget	\$ Diff	% Diff
<b>OCOO Department Administration</b> Administrative costs for the Office of the Chief Operating Officer including employee meetings, performance management, and training. <b>Labor hours increased in 2024 budget to reflect where hours are actually being charged.</b>	\$ 103,657	\$ 85,828	\$ 17,829	20.8%
<b>Risk &amp; Incident Mgmt</b> Costs including park police, contract security, access control, surveillance, emergency operations, and flood protective measures. Also includes costs associated with liability claims.	\$ 923,955	\$ 926,007	\$ (2,052)	-0.2%
<b>Grounds Maintenance</b> 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.	\$ 819,843	\$ 803,026	\$ 16,817	2.1%
<b>Safety</b> Captures the general and administrative costs of the safety program - which includes labor, outside consultants to provide training, and safety materials and supplies. <b>Increased labor hours being budgeted in 2024 to more accurately reflect the time employees spend completing required safety training.</b>	\$ 299,188	\$ 231,628	\$ 67,560	29.2%
<b>TOTAL OFFICE OF THE CHIEF OPERATING OFFICER (OCOO)</b>	<b>\$ 2,146,643</b>	<b>\$ 2,046,489</b>	<b>\$ 100,154</b>	<b>4.9%</b>

## 2024 Operating Work Plans Recommended for Funding

	2024 Proposed Budget	2023 Approved Budget	\$ Diff	% Diff
<b>WATER DISTRIBUTION</b>				
<b>Distribution Administration (Distribution Support)</b>	\$ 277,598	\$ 231,994	\$ 45,605	19.7%
Administrative costs for the Distribution department including clerical support, employee meetings, performance management, and training. <b>This workplan is primarily made up of labor. A new position of Field Training Specialist was created in 2023 with the labor hours being budgeted in the training project under this workplan.</b>				
<b>Des Moines Field Support</b>	\$ 489,625	\$ 195,426	\$ 294,198	150.5%
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. <b>The increase is due to the inclusion of \$280,000 in 2024 to replace 20 lead service lines.</b>				
<b>Distribution System Maintenance &amp; Repair</b>	\$ 3,403,219	\$ 3,096,379	\$ 306,840	9.9%
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. <b>Non-labor expenses have increased roughly \$120,000 due to the increasing cost of materials used to repair main breaks. The 2024 includes 2 additional FTEs - Installer &amp; Crew Leader - to relieve a stretched Distribution workforce.</b>				
<b>Leak Detection &amp; Locating</b>	\$ 769,479	\$ 756,221	\$ 13,257	1.8%
Costs for leak detection, locating, customer distribution services (complaints/inquiries), and feeder signage maintenance.				
<b>Distribution Billed Services</b>	\$ 858,255	\$ 821,142	\$ 37,114	4.5%
Costs for billed services including making taps for new service lines, providing contracted leak location services, repairing damaged facilities, and repairing inoperable service valves. <b>Minor increases in 2024 budget are related to additional costs for service line connections.</b>				
<b>TOTAL WATER DISTRIBUTION</b>	<b>\$ 5,798,176</b>	<b>\$ 5,101,162</b>	<b>\$ 697,014</b>	<b>13.7%</b>

## 2024 Operating Work Plans Recommended for Funding

WATER PRODUCTION	2024 Proposed Budget	2023 Approved Budget	\$ Diff	% Diff
<b>Water Production Admin</b> Administrative and support costs for the Water Production department including clerical support, employee meetings, performance management, and training. <b>Increase in 2024 budget is for additional training costs and labor hours increased in other administrative projects to more accurately reflect where hours are being charged.</b>	\$ 598,461	\$ 527,169	\$ 71,293	13.5%
<b>Radio Communication Equipment</b> Maintenance and supervision expenses of the trunked radio system and telemetry system.	\$ 53,370	\$ 53,064	\$ 306	0.6%
<b>HVAC Operations &amp; Maint</b> To operate, maintain, and repair all heating, air conditioning, and ventilation equipment for all DMWW facilities. <b>Increases are related to utilizing contracting services to maintain numerous aging HVAC units.</b>	\$ 146,192	\$ 99,577	\$ 46,616	46.8%
<b>Water Production Operations</b> 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. <b>Includes minor increase in labor hours budgeted in 2024.</b>	\$ 1,253,566	\$ 1,189,599	\$ 63,967	5.4%
<b>Fleur Plant Chemicals &amp; Energy</b> 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. <b>Increase in budgeted pumpage by 500 million gallons at FDTP accounts for much of the increase.</b> <b>Chemical expenses are increasing \$741,000. Roughly \$310,000 of the increase is related to higher pumpage. The remainder of the increase is due to increased chemical costs.</b> <b>Utility expenses are increasing \$110,000.</b> <b>Residual removal expenses are down \$344,000, primarily due to the contract renewal with Synagro at a lower cost per ton to remove product.</b>	\$ 9,408,851	\$ 8,903,132	\$ 505,719	5.7%
<b>McMullen Plant Chemicals &amp; Energy</b> 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. <b>Budgeted pumpage at MWTP is unchanged in the 2024 budget.</b> <b>Chemical expenses are increasing \$166,000.</b> <b>Utility expenses are increasing \$73,000.</b> <b>Residual removal expenses are down \$285,000. The contract renewal with Synagro is at a lower cost per ton and there are fewer tons to remove from the drying area.</b>	\$ 3,191,823	\$ 3,231,250	\$ (39,427)	-1.2%
<b>SWTP Chemicals &amp; Energy</b> 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. <b>Budgeted pumpage at SWTP is unchanged in the 2024 budget.</b> <b>Chemical expenses are increasing \$27,000.</b> <b>Utility expenses are increasing \$72,000.</b>	\$ 1,695,439	\$ 1,605,045	\$ 90,393	5.6%

## 2024 Operating Work Plans Recommended for Funding

WATER PRODUCTION	2024 Proposed Budget	2023 Approved Budget	\$ Diff	% Diff
<b>Fleur Maintenance</b> 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. <b>Increased costs for materials and services to maintain the treatment plant is the primary driver of the variance. This work plan includes most of the hours for a new Control Systems Specialist, an addition in the 2024 budget.</b>	\$ 1,979,942	\$ 1,893,633	\$ 86,309	4.6%
<b>McMullen Maintenance</b> Includes all maintenance and repair expenses of the McMullen Treatment Plant, radial collector wells, Crystal Lake, and ASR. <b>Increased costs for materials and services to maintain the treatment plant is the primary driver of the variance.</b>	\$ 610,479	\$ 582,844	\$ 27,635	4.7%
<b>SWTP Maintenance</b> Includes mechanical and electrical maintenance for the Saylorville Water Treatment Plant. <b>Increased costs for materials and services to maintain the treatment plant is the primary driver of the variance.</b>	\$ 624,845	\$ 521,678	\$ 103,168	19.8%
<b>WP Maintenance Oversight</b> Provides oversight efforts for the daily planning of maintenance in Water Production. Also encompasses the efforts to maintain the CMMS system. <b>Includes minor increase in labor hours budgeted in 2024.</b>	\$ 239,727	\$ 220,992	\$ 18,735	8.5%
<b>Louise P. Moon Pumping Maintenance</b> 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. <b>The largest driver of this increase relates to electricity usage at the pumping station and the ASR well.</b>	\$ 610,156	\$ 581,336	\$ 28,819	5.0%
<b>Polk County Storage &amp; Pumping</b> 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.	\$ 169,446	\$ 160,985	\$ 8,461	5.3%
<b>Des Moines Remote Storage</b> 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. <b>There are 21 remote sites in this budget. Each is up a moderate amount due to higher costs. \$100,000 of the increase is related to abandoning the SE Polk Pump Station.</b>	\$ 967,669	\$ 805,602	\$ 162,067	20.1%
<b>Lab Operations</b> Routine, non-investigative testing in the chemistry laboratory related to regulatory compliance and assessment of treatment plant processes.	\$ 657,198	\$ 657,140	\$ 57	0.0%
<b>Water Quality Research</b> Investigative testing concerning water quality and plant process improvements.	\$ 170,034	\$ 170,678	\$ (644)	-0.4%

## 2024 Operating Work Plans Recommended for Funding

WATER PRODUCTION	2024 Proposed Budget	2023 Approved Budget	\$ Diff	% Diff
<b>Facility Maintenance</b> Captures the general and administrative costs of building upkeep and general facility maintenance. <b>Increases due to electricity costs at the main office building and contracted cleaning services are partially offset by a reduction in labor hours due to staff retirement.</b>	\$ 810,567	\$ 753,041	\$ 57,527	7.6%
<b>Vehicle Maintenance</b> 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. <b>Increased costs for materials and services to maintain the fleet are offset by lower fuel costs being projected in the 2024 budget.</b>	\$ 1,314,921	\$ 1,306,157	\$ 8,764	0.7%
<b>TOTAL WATER PRODUCTION</b>	\$ 24,502,686	\$ 23,262,923	\$ 1,239,764	5.3%

## 2024 Operating Work Plans Recommended for Funding

Summary Operating Expenses	2024 Proposed Budget	2023 Approved Budget	Inc / (Dec)
<b>Total by Department</b>			
CEO	2,094,303	2,154,738	(60,435)
Customer Service	3,608,259	3,629,786	(21,528)
Engineering	470,536	418,469	52,068
Finance	5,260,041	4,912,468	347,573
HR	803,141	738,458	64,683
IT	2,963,081	2,798,416	164,665
Office of the COO	2,146,643	2,046,489	100,154
Water Distribution	5,798,176	5,101,162	697,014
Water Production	24,502,686	23,262,923	1,239,764
Utility Benefits	13,229,374	13,078,046	151,328
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>60,876,241</u>	<u>58,140,955</u>	2,735,287 4.7%

## 2024 Operating Work Plans Recommended for Funding

DMWW CAPITAL	2024 Proposed Budget	2023 Approved Budget	\$ Diff	% Diff
<b>Field Customer Service Capital</b>	\$ 1,818,921	\$ 1,756,895	\$ 62,026	3.5%
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.				
<b>Facility Management</b>	\$ 11,937,149	\$ 3,859,222	\$ 8,077,926	209.3%
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.				
Projects budgeted include:				
Grounds Shop	\$ 4,051,250			
FDT Distribution Ramp	1,386,118			
Hazen Concrete	891,948			
PS HVAC	817,546			
DMR Isolation Valve	769,870			
MWTP Truck Scale	765,076			
FDT Chemical Elevator	753,015			
FDT Generator Closed Loop Cooling	592,619			
FDT EHL Closed Loop Cooling	422,534			
FDT Safety Showers	364,013			
	<u>\$ 10,813,990</u>			
<b>Fleur Drive Treatment Plant</b>	\$ 9,586,236	\$ 8,945,585	\$ 640,651	7.2%
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.				
Projects budgeted include:				
DM River Well Field	\$ 1,952,262			
VFD HL Pumps	1,622,352			
5kV Switch Gear	1,146,246			
SCADA	753,691			
Filter Media Replace	736,029			
Treatment Basin Rechainning	657,600			
Filter Plant Rehab	520,580			
WHL Pumps Rebuild	346,154			
Gallery Valves	332,702			
	<u>\$ 8,067,615</u>			
<b>McMullen Treatment Plant</b>	\$ 2,202,680	\$ 789,543	\$ 1,413,138	179.0%
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.				
Projects budgeted include:				
Collector Wells - Rehab	\$ 946,765			
Ferric Chloride Expansion	391,032			
Ferric Feed Line	383,236			
PAC Storage-Feed	366,843			
	<u>\$ 2,087,876</u>			

## 2024 Operating Work Plans Recommended for Funding

DMWW CAPITAL	2024 Proposed Budget	2023 Approved Budget	\$ Diff	% Diff
<b>Saylorville Treatment Plant</b>	\$ 8,388,312	\$ 20,527,440	\$ (12,139,127)	-59.1%
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.				
Projects budgeted include:				
Plant Expansion - 10MGD	\$ 4,061,963			
Raw Water Expansion - 10MGD	3,543,006			
UF Membrane Repl	563,624			
RO Membrane Repl	219,719			
	<u>\$ 8,388,312</u>			
<b>ASR Well</b>	\$ 3,344,754	\$ 2,750,882	\$ 593,872	21.6%
Captures costs to construct a new ASR well at Polk County Pump Station.				
<b>Water Main Replacement</b>	\$ 14,680,653	\$ 12,918,171	\$ 1,762,482	13.6%
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.				
Water main replacement by service area:				
Des Moines	\$ 9,722,447			
Polk County	3,706,688			
Windsor Heights	628,939			
Pleasant Hill	622,579			
	<u>\$ 14,680,653</u>			
<b>Core Network Feeder Mains</b>	\$ 11,017,761	\$ 4,165,672	\$ 6,852,089	164.5%
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.				
Projects budgeted include:				
Maffitt East Feeder Main Control Valve	\$ 1,452,407			
SWTP-W Feeder Main	9,154,109			
Feeder Main Tenny-LPM	411,245			
	<u>\$ 11,017,761</u>			
<b>Remote Facilities</b>	\$ 360,924	\$ -	\$ 360,924	0.0%
Provides initial funds to replace the existing SE Polk/Bondurant Pump Station with a new above ground facility.				
<b>Development Plan Review</b>	\$ 484,058	\$ 284,784	\$ 199,275	70.0%
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.				
<b>I.T. Capital</b>	\$ 1,172,296	\$ 2,140,750	\$ (968,454)	-45.2%
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 2024 budget includes continued funds for ongoing replacement of hardware and software, Microsoft licensing, and cyber-security.				
The 2023 budget includes \$1.0M to implement a new financial software (NetSuite for Government).				
<b>Water Distribution System Improvements</b>	\$ 1,502,800	\$ 1,732,273	\$ (229,474)	-13.2%
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.				



## 2024 Operating Work Plans Recommended for Funding

DMWW CAPITAL		2024 Proposed Budget	2023 Approved Budget	\$ Diff	% Diff
<b>Grounds Capital</b>		\$ 297,000	\$ 251,473	\$ 45,528	18.1%
Provides for capital replacement for specific grounds and park maintenance capital. The 2024 budget includes costs for resurfacing roads from Gate 2 at FDTP to the stock pile road.					
<b>Water Production Plant Reinvestment</b>		\$ 1,238,500	\$ 1,196,609	\$ 41,892	3.5%
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.					
<b>Vehicle Replacement</b>		\$ 1,368,100	\$ 1,124,458	\$ 243,642	21.7%
Captures the cost of replacing vehicles and related equipment.					
<b>Finance Capital</b>					
Captures the cost of remodeling at Central Stores		\$ -	\$ 18,000	\$ (18,000)	-100.0%
<b>TOTAL DMWW CAPITAL</b>		<b>\$ 69,400,145</b>	<b>\$ 62,461,756</b>	<b>\$ 6,938,389</b>	<b>11.1%</b>
Summary by Funding Source					
Carryover		\$ 15,047,830	\$ 1,269,980		
Funded by Outside Entities		1,991,000	2,103,600		
Funded by DMWW Debt (SRF Loans)		3,344,754	6,271,686		
Funded through Regional Participation		17,170,323	24,391,805		
Funded by Utility Revenue		31,846,238	28,424,685		
		<b>\$ 69,400,145</b>	<b>\$ 62,461,756</b>		

## **Appendix: DMWW Budget Process & Timeline**

### **April – May**

- Finance prepares budget templates for 2024 budget entry.
- Finance provides budget training/refresher, 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.

**AGENDA ITEM FORM**

**SUBJECT: Resolution of Intent to Participate and Authorizing the Inclusion of the Des Moines Water Works in Final Draft Agreement Establishing Central Iowa Water Works**

**SUMMARY:**

- Discussions to form a regional production utility, Central Iowa Water Works (CIWW) have been occurring in earnest since 2017, when representatives from Des Moines Water Works, Urbandale Water Utility and West Des Moines Water Works launched a study into regional governance options. A national financial consultant specializing in utility management was retained. A group representing communities across the metro met in open meetings throughout 2018 and 2019. A number of options were considered.
- A smaller group consisting of representatives from DMWW, UWU, and WDMWW continued to meet through the months of the pandemic in 2020 and 2021. That group published a final outcomes document in November 2021 broadly defining the framework of a cooperative agreement governing drinking water production in the Des Moines metro area.
- The Board approved a "Central Iowa Water Works Founding Resolution" in December 2021 stating the Board's desire to participate as a Founding Agency of CIWW, subject to acceptable terms in a 28E/28F and a "critical mass" of participation among potential members,
- Throughout 2022 and 2023, several drafts of a 28/28F Agreement have been distributed, revised, and edited based on comments received from all potential members. On September 15<sup>th</sup>, 2023, the 3<sup>rd</sup> & Final Draft of the CIWW 28E/28F was distributed and is being reviewed for finalization and creation of an Execution 28E/28F.
- Finalizing the Agreement has been a somewhat challenging and iterative process, especially related to the financial terms of the Agreement, as the financial information is dependent on which communities participate.
- In order to finalize the Agreement, potential members are asked to pass the attached *Resolution of Intent to Participate and Authorizing the Inclusion of the Des Moines Water Works in Final Draft Agreement Establishing Central Iowa Water Works*.
- This Resolution is a preliminary action signaling DMWW's intent to participate; however, it is not a final binding action to join CIWW. Additional resolutions to finalize DMWW's participation in CIWW are expected to come before the Board in November and December.
- There has been an invitation for public comment on regional governance at each month's Board meeting since February 2022; many presentations throughout the community and media outreach have occurred; and DMWW has hosted three public informational meetings, with a fourth (Zoom) meeting tentatively scheduled for November 14, 2023.
- Participating in CIWW provides benefit to DMWW and our customers, including collaborative planning and management of water resources, equitable sharing of system costs and risks, and system resiliency.

**FISCAL IMPACT:**


Financial analysis indicates regional governance of water production in the Des Moines metro area will result in the lowest total cost of drinking water production. Ultimate fiscal impact will be dependent on the communities participating in CIWW.

**RECOMMENDED ACTION:**

Pass the Resolution of Intent to Participate and Authorizing the Inclusion of the Des Moines Water Works in Final Draft Agreement Establishing Central Iowa Water Works.

**BOARD REQUIRED ACTION:**

Motion to pass the Resolution of Intent to Participate and Authorizing the Inclusion of the Des Moines Water Works in Final Draft Agreement Establishing Central Iowa Water Works.

  
Amy Kahler, CPA (date)  
Chief Financial Officer

  
Ted Corrigan, P.E. (date)  
CEO and General Manager

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION INDICATING INTENT TO PARTICIPATE AND AUTHORIZING THE  
INCLUSION OF THE DES MOINES WATER WORKS IN FINAL DRAFT  
AGREEMENT ESTABLISHING CENTRAL IOWA WATER WORKS**

WHEREAS, certain water utilities, rural water districts and governmental entities have developed a defined framework for the organization of a new regional water authority as a separate public entity created under Chapter 28E and Chapter 28F, Iowa Code, to be known as the "Central Iowa Water Works" ("CIWW") to act as a regional water wholesale production and supply entity under the material terms and conditions as set forth in the form of the Central Iowa Water Works 28E/28F Agreement, dated September 15, 2023 (the "CIWW Agreement"), available for review at <https://bit.ly/CIWW28E>; and

WHEREAS, the Board of Water Works Trustees of the City of Des Moines, Iowa, a municipal water utility organized and operating in accordance with Iowa Code Chapter 388 ("DMWW") has a duty to provide the quantity and quality of water needed by its customers within and without the City of Des Moines; and

WHEREAS, the Board of DMWW believes it is in the best interest of its customers, and in fulfillment of DMWW's fiduciary duty to those customers for the provision of long-term comprehensive water needs, for DMWW to participate as a Founding Agency of CIWW, as defined in the CIWW Agreement, subject to formal approval of the final CIWW Agreement by all anticipated Founding Agencies named therein.

NOW, THEREFORE IT IS HEREBY RESOLVED, by the Board of Water Works Trustees of the City of Des Moines, Iowa:

Section 1. That DMWW and the customers served by DMWW would benefit from membership as a Founding Agency in CIWW, in accordance with the CIWW Agreement.

Section 2. That the Board of DMWW by this Resolution hereby expresses its current intent to participate and gives its authorization to be included as a Founding Agency in the final draft of the Agreement that will be circulated for approval.

Section 3. That any approval of the final CIWW Agreement will be subject to further consideration and action by the Board of DMWW, in its discretion, in accordance with the Iowa Code and other applicable law.

PASSED AND APPROVED this 31<sup>st</sup> day of October, 2023.

Des Moines Water Works

By \_\_\_\_\_  
Andrea Boulton, Chairperson of Board

# 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, Iowa, do hereby certify that attached is a true and complete copy of the portion of the records of the Board 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 formation, organization, existence or boundaries of the Board of Water Works Trustees of the City of Des Moines, Iowa or the right of the individuals named therein as members to their respective positions.

WITNESS my hand affixed this 31<sup>st</sup> day of October 2023.

**Ted Corrigan, Board Secretary**



DES MOINES WATER WORKS  
Board of Water Works Trustees

Agenda Item No. III-F  
Meeting Date: October 31, 2023  
Chairperson's Signature ☐ Yes ☐ No

## AGENDA ITEM FORM

**SUBJECT:** Approval of Settlement of Main Break Lawsuit

**SUMMARY:**

- On April 5-6, 2022, Halbrook Excavating, Inc. and Iowa Trenchless, LLC were boring underneath NE 14th Street between NE 54th Avenue and NE 58th Avenue.
- The boring made contact with a critical 24-inch concrete feeder main and caused a break.
- Des Moines Water Works (DMWW) incurred approximately \$150,000 in costs to complete an emergency main break repair and manage a variety of operational adjustments related to this feeder main being out of service.
- DMWW locates were greater than 18-inches off from the actual horizontal distance of the feeder main.
- DMWW filed a lawsuit against Halbrook and Trenchless in December 2022 to recover damages for the break.
- After mediation in September 2023, Halbrook and Trenchless have proposed to pay DMWW \$100,000 in exchange for mutual releases of claims.
- Staff recommends accepting the settlement on these terms.

**FISCAL IMPACT:**

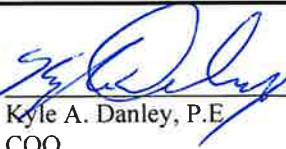
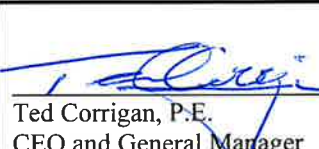
DMWW will receive \$100,000 in exchange for mutual release of claims.

**RECOMMENDED ACTION:**

Accept settlement proposal and authorize staff to execute settlement and release agreement with Halbrook and Trenchless.

**BOARD REQUIRED ACTION:**

Motion to accept settlement proposal and to authorize staff to execute settlement and release agreement with Halbrook and Trenchless.

<hr/>	 Kyle A. Danley, P.E. COO	 Ted Corrigan, P.E. CEO and General Manager
<hr/> / (date)	<hr/> 11/07/23 (date)	<hr/> 10/30/23 (date)

Attachments: Site Map



NOT TO SCALE





DES MOINES WATER WORKS  
Board of Water Works Trustees

Agenda Item No. III-G  
Meeting Date: October 31, 2023  
Chairperson's Signature ☐ Yes ☒ No

## AGENDA ITEM FORM

**SUBJECT:** Acceptance of Gallery Valve Chamber Structures Reconstruction – Phase 2

**SUMMARY:**

- At its May 2022 Board meeting, the Board of Water Works Trustees awarded a contract to Nate Todd Construction, LLC, in the amount of \$498,750 for the Gallery Valve Chamber Structures Reconstruction – Phase 2 project.
- All work associated with this contract has been satisfactorily completed.
- The project was completed for the original contract sum without need for change orders.
- The final contract price for the Gallery Valve Chamber Structures Reconstructions – Phase 2 project is \$498,750.

**FISCAL IMPACT:**

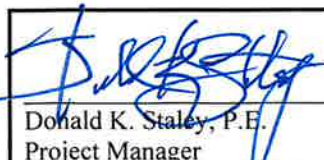
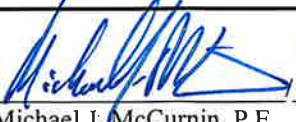
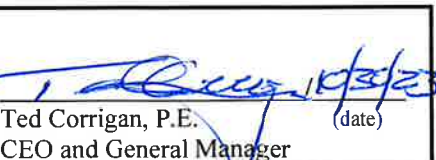
Funds for the Gallery Valve Chamber Structures Reconstruction – Phase 2 will come from the 2022 Fleur Drive Treatment Plant Budget.

**RECOMMENDED ACTION:**

Accept the Gallery Valve Chamber Structures Reconstruction – Phase 2 project, completed by Nate Todd Construction, LLC. in the amount of \$498,750.

**BOARD REQUIRED ACTION:**

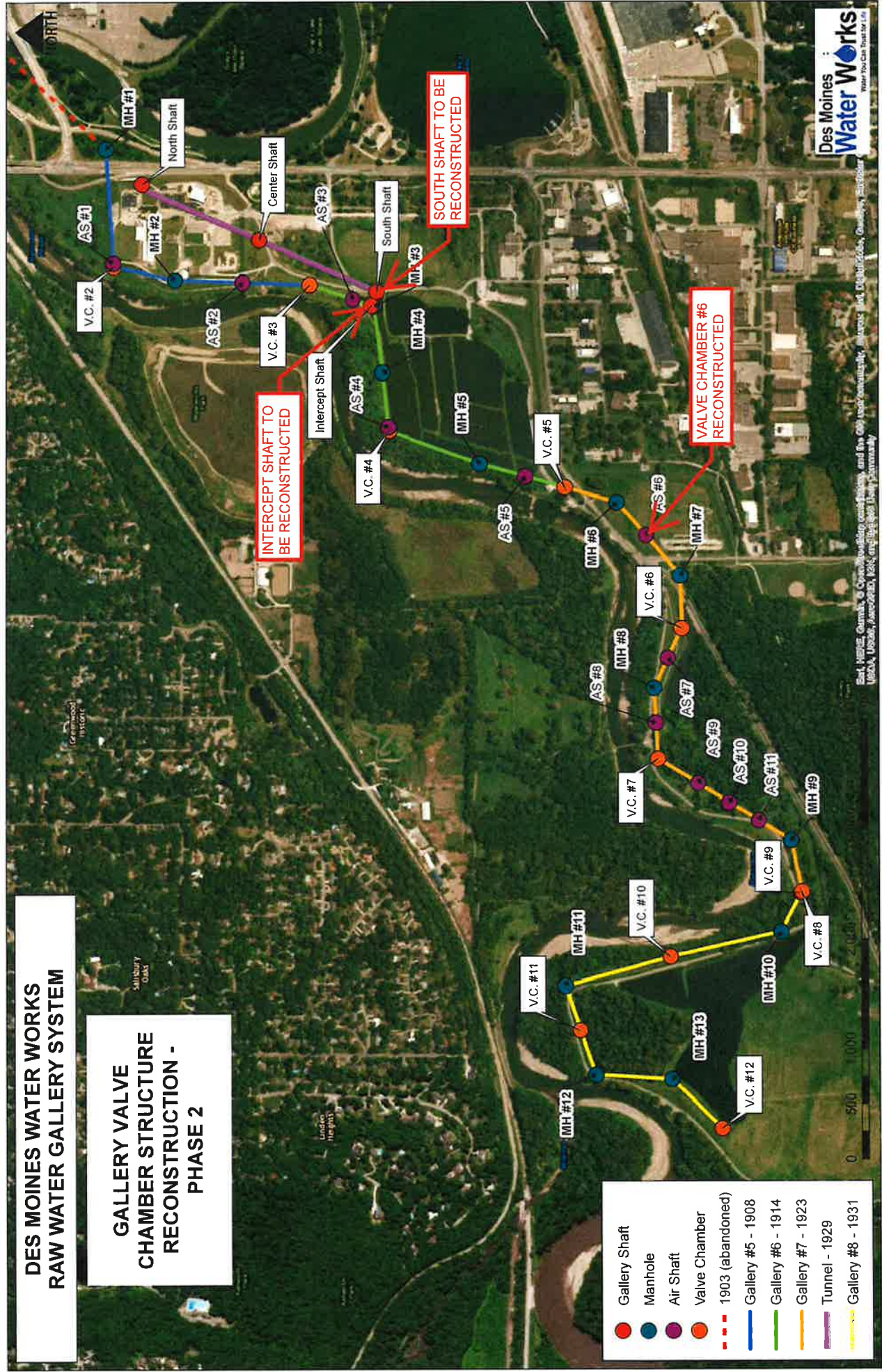
Motion to accept the Gallery Valve Chamber Structures Reconstruction – Phase 2 project, completed by Nate Todd Construction, LLC. in the amount of \$498,750.

 Donald K. Staley, P.E. Project Manager Attachment: Site Map	10-24-23 (date)	 Michael J. McCurnin, P.E. Director of Engineering Services	10/25/23 (date)	 Ted Corrigan, P.E. CEO and General Manager	10/31/23 (date)
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# DES MOINES WATER WORKS RAW WATER GALLERY SYSTEM

## GALLERY VALVE CHAMBER STRUCTURE RECONSTRUCTION - PHASE 2





## AGENDA ITEM FORM

**SUBJECT: Request Authorization to Execute the First Amendment Chapter 28E Agreement with the City of Ankeny for Construction and Funding of the Saylorville Water Treatment Plant North Feeder Main**

### **SUMMARY:**

- In January of 2007, Des Moines Water Works (DMWW) and the City of Ankeny (Ankeny) executed a 28E agreement calling for the design and construction of Water Utility Improvements which primarily included a 24-inch feeder main along NW 26<sup>th</sup> St. from NW 66<sup>th</sup> Ave. to SW Oralabor Road. DMWW staff have referred to this feeder main as the Saylorville Water Treatment Plant North Feeder Main. DMWW and Ankeny, per the 28E agreement, shared capacity in the 24-inch feeder main and the agreement defined a proper cost-share. Other elements of the agreement called for design and construction of assets to be used for the sole benefit of Ankeny. Ankeny paid fully for those elements of the agreement.
- In August of 2015, DMWW, Ankeny, and the City of Polk City (Polk City) executed a 28E agreement to conduct a Water System Master Plan to evaluate how best the communities could coordinate to provide for increasing water demand in the northern portions of the distribution system. A variety of items were evaluated with this plan, but an interrogation of the feeder mains within the NW 26<sup>th</sup> St. corridor was part of the evaluation. A recommendation from the study was for DMWW and Polk City to collaborate on an additional feeder main that would meet the needs of DMWW and Polk City but would also allow DMWW's capacity in the original 24-inch feeder main (from the 28E agreement executed with Ankeny in 2007) to be surrendered, with compensation, to Ankeny.
- In coordination with Polk City, DMWW has designed, constructed, and commissioned a new 20-inch feeder main along NW 26<sup>th</sup> St. and a new Polk City Booster Station. This work was completed between 2018 and 2022.
- Staff approached Ankeny in 2022 to discuss fair compensation for DMWW to surrender to Ankeny its capacity in the original 24-inch feeder main. The amount of \$603,150 was agreed upon, if Ankeny paid within the 2023 calendar year.
- The First Amendment to the Chapter 28E Agreement with the City of Ankeny for Construction and Funding of the Saylorville Water Treatment Plant North Feeder Main documents the \$603,150 amount and further clarifies issues related to existing and future taps, on-going operations and maintenance, and ownership details. Staff and legal counsel from DMWW and Ankeny have reviewed the proposed amendment.

### **FISCAL IMPACT:**


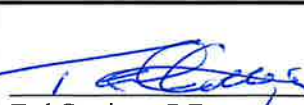
Des Moines Water Works is to receive \$603,150 from the City of Ankeny before the end of the 2023 calendar year.

### **RECOMMENDED ACTION:**

Authorize the Chairperson to execute the First Amendment to the Chapter 28E Agreement with the City of Ankeny for Construction and Funding of the Saylorville Water Treatment Plant North Feeder Main project.

### **BOARD REQUIRED ACTION:**

Motion to approve and authorize the Chairperson to execute the First Amendment to the Chapter 28E Agreement with the City of Ankeny for Construction and Funding of the Saylorville Water Treatment Plant North Feeder Main project.

<div style="border-bottom: 1px solid black; width: 100%;"></div> <div style="text-align: right;">(date)</div>	<div style="text-align: right;">   10/25/23  Michael J. McCurnin, P.E. (date)  Engineering Services Manager </div>	<div style="text-align: right;">   10/30/23  Ted Corrigan, P.E. (date)  CEO and General Manager </div>
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Attachments: First Amendment to the Chapter 28E Agreement with the City of Ankeny for Construction and Funding of the Saylorville Water Treatment Plant North Feeder Main.

**FIRST AMENDMENT TO 28E AGREEMENT BETWEEN THE CITY OF ANKENY,  
IOWA, THE BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES  
MOINES, IOWA**

THIS FIRST AMENDMENT to 28E Agreement (hereinafter "First Amendment") is entered into this 16<sup>th</sup> day of October, 2023 (the "Effective Date"), by and between the City of Ankeny ("City"), the Board of Water Works Trustees of the City of Des Moines, Iowa ("Water Works") herein collectively "the parties").

**WHEREAS**, the parties entered into an Iowa Code Chapter 28E Agreement, Secretary of State File No. M036501, on December 18, 2006 (the "2006 Agreement") for, among other purposes, to facilitate the construction of a 24-inch diameter water main along NW 26th Street from NW 66th Avenue to SW Oralabor Road ("Project 1").

**WHEREAS**, Part III, Section 3 of the Agreement stated that the City would be entitled to 4.0 million gallons per day ("MGD") of capacity of the Project 1 facility south of the intersection point of Water Works' 16 inch feeder main serving Polk City.

**WHEREAS**, the 2006 Agreement further specified that Water Works would retain ownership of the facility constructed for Project 1 as specified in Part III.

**WHEREAS**, the parties desire to modify the terms of the 2006 Agreement as specified below.

Now, therefore, in consideration of the premises above, and for good and valuable consideration, the receipt and sufficiency of which is expressly acknowledged, the parties agree as follows:

1. **Amendment of Part III Section 3(b.):** Section 3(b.) of Part III of the 2006 Agreement is modified as follows:

Original 2006 Agreement Section 3(b.): City shall be entitled to use of capacity of 4.0 MGD in the portion of the Project 1 facility south of such intersection ("City's Partial Use Portion of Project 1").

First Amendment Section 3(b.): City shall be entitled to use the full capacity in the portion of the Project 1 facility south of such intersection.

2. **Compensation:** The City agrees to pay Water Works the total sum of \$603,150.00 in a single lump sum within 60 days of the date this First Amendment is fully executed.

3. **No Taps:** With the exception of the normally closed existing connections at NW 73<sup>rd</sup> and NW 75<sup>th</sup>, the Water Works will not, without the consent of the City, allow any new taps or any other connections to the Project 1 facility constructed along NW 26th Street from NW 66th Avenue to meter pit installed at intersection of NW 26<sup>th</sup> Street and SW Stonehaven Lane.

4. **No Other Changes:** No other terms of the 2006 Agreement are modified or amended by the parties entering into this First Amendment. For the avoidance of doubt, and without limiting the effect of the forgoing, Water Works will continue to own the facility built as part of Project 1 as specified in the 2006 Agreement.

[END OF AGREEMENT - SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the first date stated above.

**CITY OF ANKENY, IOWA**

ATTEST:

DocuSigned by:

By: Michelle Yuska  
7E497FC63C464A9...  
Michelle Yuska, City Clerk

DocuSigned by:

By: Mark E. Holm  
4C9E47CBE956471...  
Mark E. Holm, Mayor

STATE OF IOWA     )  
                              ) ss:  
COUNTY OF POLK    )

On this 16<sup>th</sup> day of October, 2023, before me, the undersigned, a Notary Public in the State of Iowa, personally appeared Mark E. Holm and Michelle Yuska, to me personally known, and who, being by me duly sworn did state that they are the Mayor and City Clerk, respectively, of City of Ankeny, Iowa, a municipal corporation; that the seal affixed to the foregoing instrument is the corporate seal of the corporation; that the instrument was signed on behalf of City of Ankeny, Iowa, by authority of its City Council, as contained in the Resolution adopted by City Council under Resolution 2023-408 of City Council on the 16<sup>th</sup> day of October, 2023, and that Mark E. Holm and Michelle Yuska acknowledged the execution of the instrument to be the voluntary act and deed of City of Ankeny, Iowa, by it and by them voluntarily executed.



Diane Klemme

Notary Public in the State of Iowa

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

ATTEST:

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF IOWA    )  
                              ) ss:  
COUNTY OF POLK )

On this \_\_\_\_ day of \_\_\_\_\_, 202\_, before me, the undersigned, a Notary Public in the State of Iowa, personally appeared \_\_\_\_\_ and \_\_\_\_\_, to me personally known, and who, being by me duly sworn did state that they are the Board Chairperson and the Chief Executive Officer and General Manager, respectively, of the Board of Water Works Trustees of the City of Des Moines, Iowa; that no seal has been procured by the entity; that the instrument was signed on behalf of said entity by authority of its Board as contained in the resolution adopted by the Board on the \_\_\_\_ day of \_\_\_\_\_, 202\_, and that \_\_\_\_\_ and \_\_\_\_\_ acknowledged the execution of the instrument to be the voluntary act and deed of the Board of Water Works Trustees of the City of Des Moines, Iowa, by it and by them voluntarily executed.

\_\_\_\_\_  
Notary Public in the State of Iowa



DES MOINES WATER WORKS  
Board of Water Works Trustees

Agenda Item No. III-I  
Meeting Date: October 31, 2023  
Chairperson's Signature Yes ☐ No ☒

**AGENDA ITEM FORM**

**SUBJECT:** Request Authorization for CEO and General Manager to Execute Professional Services Agreement with Snyder & Associates, Inc., for Construction Services for the Des Moines Water Works Grounds Maintenance Facility

**SUMMARY:**

- At its June 2023 meeting, the Board of Water Works Trustees authorized staff to solicit bids for the Des Moines Water Works Grounds Maintenance Facility project. Eight (8) bids were received and analyzed, and a contract was awarded to Henkel Construction in the amount of \$3,780,900 at the August 2023 Board meeting.
- Des Moines Water Works (DMWW) normally uses its own staff to perform construction inspection on such projects. With more aggressive capital spending occurring at DMWW, staff would prefer to acquire construction inspection on this project from an outside resource. This decision will help preserve construction inspection type hours for water main replacement efforts. While the Grounds Maintenance Facility will be an important addition to the suite of DMWW assets, its construction will have little or no impact on either treatment or distribution system operations. It is an ideal project to acquire an outside resource for these reasons.
- Staff investigated multiple options but ultimately received a proposal from Snyder & Associates, Inc., to observe construction and ensure that the Contractor's work and materials meet the requirements of the construction documents.
- The assumption is that the observer will be available up to 20 hours per week (part time), will be checking in daily and will ensure critical work items are observed.
- Part of the agreement is to conduct drone site visits once a month to provide aerial imagery of the site.
- Staff recommends a Professional Services Agreement be executed with Snyder & Associates, Inc., for the Construction Services subject to the terms and conditions in their 2023-2028 indefinite scope master agreement.
- The anticipated design fee stated in the proposal from Snyder & Associates, Inc., is \$111,322.

**FISCAL IMPACT:**

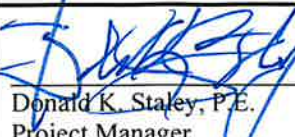
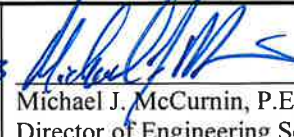
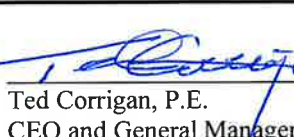
Funds for this service will come from the 2023 and 2024 Facility Management Budgets.

**RECOMMENDED ACTION:**

Authorize the CEO and General Manager to execute a Professional Services Agreement with Snyder & Associates, Inc., in the amount of \$111,322 for Construction Services for the Des Moines Water Works Grounds Maintenance Facility.

**BOARD REQUIRED ACTION:**

Motion to authorize the CEO and General Manager to execute a Professional Services Agreement with Snyder & Associates, Inc., in the amount of \$111,322 for Construction Services for the Des Moines Water Works Grounds Maintenance Facility.

 Donald K. Staley, P.E. Project Manager 10/24/23 (date)	 Michael J. McCurnin, P.E. Director of Engineering Services 10/25/23 (date)	 Ted Corrigan, P.E. CEO and General Manager 10/30/23 (date)
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Attachments: None

**AGENDA ITEM FORM**

**SUBJECT: Request Permission to Establish the Date of Public Hearing for Environmental Review of Aquifer Storage and Recovery (ASR) Well as the Date of the December 2023 Board Meeting**

**SUMMARY:**

- At its December 2022 meeting, the Board of Water Works Trustees authorized the CEO and General Manager to execute a Professional Services Agreement with Strand Associates, Inc., for the 2023 Aquifer Storage and Recovery (ASR) Well design. Strand Associates, Inc., will also provide engineering consulting services throughout the course of construction of the project.
- Since completion of engineering studies and a demonstration project in the 1990s, Des Moines Water Works (DMWW) has constructed three ASR well facilities:
  - The ASR well facility at the McMullen Water Treatment Plant.
  - The ASR well facility at the L. P. Moon Storage Facility and Pumping Station.
  - The Army Post Road ASR Well Facility.
- Operational benefits available to DMWW with ASR facilities include:
  - Increased availability of seasonal, long-term, and emergency storage.
  - Improved ability to maintain distribution system pressure during peak demand.
  - Enhanced capability to maintain distribution system flow during low demand months.
  - Flexibility to respond to dramatic and prolonged reductions in raw water quality of surface water supplies.
  - Ability to defer expansion of water treatment and storage facilities.
- DMWW proposes to further improve its operations by designing and constructing an additional ASR well facility at the Polk County Pumping Station.
- The project costs are intended to be funded or reimbursed through a loan from the State Revolving Fund (SRF).
- As a part of the SRF loan application process, the Iowa Department of Natural Resources (IDNR) performs an environmental review for the project. Once the environmental review is completed, the borrower must hold a public hearing to inform the public of the project impacts and provide a forum for the public to present comments.
- The IDNR has completed the environmental review for the proposed ASR well project and issued an Environmental Information Document (EID) that concluded the project would pose no significant impact. DMWW must now hold a public hearing to continue the SRF loan application process.
- Staff recommends the Board establish the date of Public Hearing to review the Environmental Impact Document as the date of the December 2023 Board meeting.

**FISCAL IMPACT:**




There is no fiscal impact associated with this item, but holding the public hearing is required to pursue the SRF financing once the projects have bid.

**RECOMMENDED ACTION:**

Establish the date of the December 2023 Board meeting as the date of Public Hearing for environmental review of the Aquifer Storage and Recovery (ASR) Well project.

**BOARD REQUIRED ACTION:**

Motion to establish the date of the December 2023 Board meeting as the date of Public Hearing for environmental review of the Aquifer Storage and Recovery (ASR) Well project.

 Vern Rash, P.E., L.S. Project Manager	 Michael J. McCurnin, P.E. Director of Engineering Services	 Ted Corrigan, P.E. CEO and General Manager
10/25/23 (date)	10/25/23 (date)	10/31/23 (date)



**AGENDA ITEM FORM**

**SUBJECT: Request Permission to Establish the Date of Public Hearing for Environmental Review of Aquifer Storage and Recovery (ASR) Well as the Date of the December 2023 Board Meeting**

**SUMMARY:**

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- Staff recommends the Board establish the date of Public Hearing to review the Environmental Impact Document as the date of the December 2023 Board meeting.

**FISCAL IMPACT:**




There is no fiscal impact associated with this item, but holding the public hearing is required to pursue the SRF financing once the projects have bid.

**RECOMMENDED ACTION:**

Establish the date of the December 2023 Board meeting as the date of Public Hearing for environmental review of the Aquifer Storage and Recovery (ASR) Well project.

**BOARD REQUIRED ACTION:**

Motion to establish the date of the December 2023 Board meeting as the date of Public Hearing for environmental review of the Aquifer Storage and Recovery (ASR) Well project.

		
Vern Rash, P.E., L.S. Project Manager	Michael J. McCurnin, P.E. Director of Engineering Services	Ted Corrigan, P.E. CEO and General Manager
/ 10/25/23 (date)	/ 10/25/23 (date)	/ (date)

**Why You Should Read This:** The document below reviews the environmental impact likely from a project. This project is planned to be federally funded through your tax dollars; therefore, you are entitled to take part in its review. If you have concerns about the environmental impact of this project, raise them now. We encourage public input in this decision making process.



**IOWA STATE REVOLVING FUND**  
**ENVIRONMENTAL INFORMATION DOCUMENT**

**PROJECT IDENTIFICATION**

**Applicant:** Des Moines Water Works  
**County:** Polk  
**State:** Iowa

**SRF Number:** FS-77-24-DWSRF-021  
**Iowa DNR Project Number:** W2023-0463

**COMMUNITY DESCRIPTION**

**Location and Population:** The Des Moines Water Works (DMWW) in Des Moines, Iowa is located in Polk County, Iowa and is centrally located within the state. The DMWW is a regional utility providing drinking water to approximately 600,000 customers in the City of Des Moines and the surrounding metropolitan area. More than 20 central Iowa cities, rural water districts, and other entities located in Polk, Warren, Madison, and Dallas Counties are served by DMWW. Based on the consistent growth of the population served by DMWW, the planning period for this project will be approximately 15 years, or 2040. In 2040, that population is expected to be approximately 835,342 persons.

**Project Background:** Water demands are projected to increase as the population served by DMWW grows. DMWW uses a combination of surface water and alluvial groundwater sources. The surface water sources are the Raccoon and Des Moines Rivers. The groundwater sources are along the Raccoon and Des Moines Rivers and include an infiltration gallery and horizontal and radial collector wells. In addition, DMWW has three Cambrian-Ordovician (Jordan) Aquifer Storage and Recovery (ASR) wells. These ASR wells do not supply raw water to the water system. ASR wells effectively supply underground water storage for the water supply system. During periods of low water demand, water is pumped into the ASR; later, during high demand the flow is reversed. Strict regulations track the input and output to balance the system fairly. Based on projected water demands, DMWW will have to provide additional peak capacity water. DMWW will need to continue developing further solutions to meet existing and projected water demands in coming years.

**PROJECT DESCRIPTION**

**Purpose:** The purpose of this project is to make improvements to the water supply system to enhance their reliability, increase storage capacity, and to operational flexibility to better continue to safely and reliably operate the Des Moines Water Works water supply system for at least the next 20 years.

**Proposed Improvements:** The project will consist of construction a new Aquifer Storage and Recovery (ASR) well and associated facilities, including a building for flow control and monitoring, water quality monitoring, disinfection and other chemical feed systems, and other components required to support ASR operation. Site work will include piping to connect the new well to the building and to connect the building to the distribution system, piping to route well flush water discharge for disposal, grading and access drive modifications, and other site work as required. The pumping capacity of the ASR facility will be 3.0 million gallons per day (mgd).

## **ALTERNATIVES CONSIDERED**

**Alternatives Considered:** In order to provide solutions to meet existing and projected water demands for the coming years, options include additional ASR wells, expansion of the existing water treatment plants, and additional storage structures.

**Reasons for Selection of Proposed Alternative:** The No-Action alternative is not viable due to the expected increase in demand due to population growth. The project site was selected for the availability of land, proximity to existing infrastructure, engineering criteria, expected population/demand growth geographically, and capacity/demand modeling as well as minimization of the impacts to the environment.

## **MEASURES TAKEN TO ASSESS IMPACT**

**Coordination and Documentation with Other Agencies and Special Interest Groups:** The following Federal, state and local agencies were asked to comment on the proposed project to better assess the potential impact to the environment:

- U.S. Army Corps of Engineers
- U.S. Fish and Wildlife Service
- State Historical Society of Iowa (State Historical Preservation Office)
- Iowa DNR Conservation and Recreation Division
- Iowa DNR Flood Plain Management Section
- Citizen Band Potawatomi Indian Tribe
- Flandreau Santee Sioux
- Ho-Chunk Nation
- Iowa Tribe of Kansas and Nebraska
- Iowa Tribe of Oklahoma
- Kickapoo Tribe in Kansas
- Kickapoo Tribe of Oklahoma
- Lower Sioux Indian Community Council
- Miami Tribe of Oklahoma
- Omaha Tribal Council
- Osage Tribal Council
- Otoe-Missouria Tribe
- Pawnee Nation of Oklahoma
- Peoria Tribe of Indians of Oklahoma
- Ponca Tribe of Indians of Oklahoma
- Ponca Tribe of Nebraska
- Prairie Band Potawatomi Nation
- Prairie Island Indian Community

Sac & Fox Nation of Mississippi in Iowa  
Sac & Fox Nation of Missouri  
Sac & Fox Nation of Oklahoma  
Santee Sioux Nation  
Shakopee Mdewakanton Sioux Community  
Sisseton-Wahpeton Oyate  
Spirit Lake Tribal Council  
Three Affiliated Tribes Mandan, Hidatsa & Arikara Nations  
Upper Sioux Tribe  
Winnebago Tribal Council  
Yankton Sioux Tribal Business and Claims Committee

No adverse comments were received from any agencies. Conditions placed on the applicant by the above agencies in order to assure no significant impact are included in the Summary of Reasons for Concluding No Significant Impact section.

## ENVIRONMENTAL IMPACT SUMMARY

**Construction:** Traffic patterns within the community may be disrupted and above normal noise levels in the vicinity of the construction equipment can be anticipated during construction and should be a temporary problem. Adverse environmental impacts on noise quality will be handled by limited hours of contractor work time during the day. Other adverse environmental effects from construction activities will be minimized by proper construction practices, inspection, prompt cleanup, and other appropriate measures. Areas temporarily disturbed by the construction will be restored. Solid wastes resulting from the construction project will be regularly cleared away with substantial efforts made to minimize inconvenience to area residents.

Care will be taken to maintain dirt to avoid erosion and runoff. The proposed project will disturb one or more acres of soil; therefore, the applicant is required to obtain an NPDES General Permit Number 2 (for storm water discharge associated with construction activities) and abide by its terms. Provided that this permit is obtained and the terms of which are abided by, no significant impact to surface water quality, fish, shellfish, wildlife, or their natural habitats is expected. Temporary air quality degradation may occur due to dust and fumes from construction equipment. The applicant shall take reasonable precautions to prevent the discharge of visible emissions of fugitive dusts beyond the lot line of the property during the proposed project (567 Iowa Administrative Code IAC 23.3(2)“c”).

**Historical/Archaeological:** Various Native American tribes with an interest in the area were provided information regarding the project. A Phase I Archeological investigation of the proposed project area is currently underway. Results from this investigation will be submitted to the State Historical Preservation Office (SHPO) for review. The project will only proceed as planned if a determination of either “no historic properties affected” or “no adverse effect on historic properties” can be appropriately reached with or without mitigation. However, if project activities uncover any item(s) that might be of archaeological, historical, or architectural interest, or if important new archaeological, historical, or architectural data should be encountered in the project APE, the applicant should make reasonable efforts to avoid further impacts to the property until an assessment can be made by an individual meeting the Secretary of the Interior’s professional qualifications standards (36 CFR Part 61).

**Environmental:** A Joint Application was submitted by the City's consultant to the Iowa DNR Conservation and Recreation Division and U.S. Army Corps of Engineers. The DNR Flood Plain Management Section will determine if the proposed project requires a permit for impacts to the 100-year floodplain. The DNR Conservation and Recreation Division will determine if the project will impact any State-owned lands or State-listed threatened or endangered species. The U.S. Army Corps of Engineers will determine if the proposed project will impact wetlands or jurisdictional waters of the United States.

While the Iowa DNR Conservation and Recreation Division has not yet commented on the project, it does not appear to interfere with any State-owned parks, recreational areas, or open spaces. While the U.S. Army Corps of Engineers has not yet commented on the project, it will not impact wetlands provided that any necessary Nationwide Permit is obtained and the terms of which are abided by. While the Iowa DNR Flood Plain Management Section, this project will not impact the 100-year floodplain provided all necessary floodplain development permits, state and local, are obtained and the terms of which are abided by.

The project will not impact any wild and scenic rivers as none exist within the State of Iowa. The U.S. Fish & Wildlife Service Section 7 Technical Assistance website consultation determined that the project is not likely to impact protected species or their habitats provided that any tree cutting is conducted between October 1 and March 31 to avoid impacting endangered bats. However, if any State- or Federally-listed threatened or endangered species or communities are found during the planning or construction phases, additional studies and/or mitigation may be required. An ASR well permit must be issued by the EPA. Provided that the ASR well permit is obtained and the terms of which are abided by, no adverse impacts are expected to result from this project, such as those to surface water quantity, or groundwater quality or quantity, or water supply.

During testing, which is required for the well to be permitted, water will be recovered from the ASR well and flushed and cannot be pumped to the distribution system. The purpose of testing is to test the water quality upon recovery compared to the injection water, as well as monitor the confirm flow rates and water levels during injection and recovery from the aquifer bubble. There are no sanitary sewers near the Northeast 14<sup>th</sup> Street site to be used for flush water disposal; therefore, the flush water will be discharged through a new 16-inch storm sewer to the ditch located northwest of the site. A National Pollutant Discharge Elimination System (NPDES) permit will be required for the flushing water discharge. The flush water will require dichlorination before it is discharged.

**Land Use and Trends:** The project will not displace population nor will it alter the character of existing residential areas. No significant farmlands will be impacted. This project should not impact population trends as the presence or absence of existing water/sewer infrastructure is unlikely to induce significant alterations in the population growth or distribution given the myriad of factors that influence development in this region. Similarly, this project is unlikely to induce significant alterations in the pattern and type of land use.

**Irreversible and Irretrievable Commitment of Resources:** Fuels, materials, and various forms of energy will be utilized during construction

**Nondiscrimination:** All programs, projects, and activities undertaken by DNR in the SRF programs are subject to federal anti-discrimination laws, including the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and section 13 of the Federal Water Pollution Control Amendments of 1972. These laws prohibit discrimination on the basis of race, color, national origin, sex, disability, or age.

## **POSITIVE ENVIRONMENTAL EFFECTS TO BE REALIZED FROM THE PROPOSED PROJECT**

Positive environmental effects will be maintained or improved water quantity for the customers of the DMWW. By using the temporary storage in the ASR, fluctuating water demands can be better managed.

## **SUMMARY OF REASONS FOR CONCLUDING NO SIGNIFICANT IMPACT**

- The project will not significantly affect the pattern and type of land use (industrial, commercial, agricultural, recreational, residential) or growth and distribution of population.
- The project will not conflict with local, regional or State land use plans or policies.
- While the Iowa DNR Conservation and Recreation Division has not yet commented on the project, it does not appear to interfere with any State-owned parks, recreational areas, or open spaces.
- While the U.S. Army Corps of Engineers has not yet commented on the project, it will not impact wetlands provided that any necessary Nationwide Permit is obtained and the terms of which are abided by.
- While the Iowa DNR Flood Plain Management Section, this project will not impact the 100-year floodplain provided all necessary floodplain development permits, state and local, are obtained and the terms of which are abided by.
- The project will not affect threatened and endangered species or their habitats provided that any tree cutting is conducted between October 1 and March 31 to avoid impacting endangered bats. If any State- or Federally-listed threatened or endangered species or communities are found during the planning or construction phases, additional studies and/or mitigation may be required.
- The project will not displace population, alter the character of existing residential areas, or convert significant farmlands to non-agricultural purposes.
- A Phase I Archeological investigation of the proposed project area is currently underway. Results from this investigation will be submitted to the State Historical Preservation Office for review. The project will only proceed as planned if a determination of either “no historic properties affected” or “no adverse effect on historic properties” can be appropriately reached with or without mitigation.
- The project will not have a significant adverse effect upon local ambient air quality provided the applicant takes reasonable precautions to prevent the discharge of visible emissions of fugitive dusts beyond the lot line of the property during the proposed project (567 IAC 23.3(2)“c”).
- The project will not have a significant adverse effect upon local ambient noise levels.
- No significant impact to surface water quality, fish, shellfish, wildlife, or their natural habitats is expected provided that an NPDES General Permit Number 2 (for storm water discharge associated with construction activities) and the NPDES permit for well testing are obtained and the terms of which are abided by.
- An ASR well permit must be issued by the EPA. Provided that the ASR well permit is obtained and the terms of which are abided by, no adverse impacts are expected to result from this project, such as those to surface water quantity, or groundwater quality or quantity, or water supply.

The project description, scope, and anticipated environmental impacts detailed above are accurate and complete to the best to my knowledge.

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Signature of the Chair, Des Moines Water Works

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Date

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Printed Name of the Chair, Des Moines Water Works



**AGENDA ITEM FORM**

**SUBJECT:** Request Authorization for CEO and General Manager to Execute Amendment No. 2 to the Professional Services Agreement with HDR Engineering, Inc., for Saylorville Water Treatment Plant Capacity Expansion Design and Construction Services

**SUMMARY:**

- Staff prepared a Request For Proposals (RFP) for completing the design, bidding support, and construction support of the source, treatment, and finished water pumping elements associated with the 10 MGD expansion at the Saylorville Water Treatment Plant (SWTP). One proposal was received on November 3, 2022, and reviewed by staff.
- Since this will be considered a regional asset, staff and the CIWW (Central Iowa Water Works) TC (Technical Committee) reviewed the proposal and agreed that the HDR Engineering, Inc. (HDR), and Black & Veatch team were certainly qualified and capable of performing this work. At the December 20, 2022, Board meeting, the CEO and General Manager was authorized to enter into an agreement with HDR for the completion of this important work.
- On February 6, 2023, the CEO and General Manager executed a Professional Services Agreement (PSA) with HDR for the SWTP Capacity Expansion project in the amount of \$12,999,057 which included geological work including a variety of soil borings and two interval pump tests.
- Amendment No. 1 was executed in the amount of \$111,551 and was necessary to allow Black & Veatch, sub-consultant on the project, to perform additional calibrations on the hydrogeologic model provided by United States Geological Survey (USGS) and to keep the project on a timelier schedule.
- HDR and staff have negotiated the scope and fee associated with a proposed Amendment No. 2 to the original agreement in the amount of \$825,000 for providing up to three 72-hour constant rate pump tests.
- Black & Veatch, after additional calibrations and investigation with the groundwater model, is seeing that assumptions made in the groundwater model and values we are seeing in the existing wells are vastly different. Their sense now is that it will likely be prudent to perform up to three more comprehensive 72-hour constant rate pump tests in addition to the original geological work to allow further refinement and use of the model as a design tool.
- Approval of Amendment No. 2 at this time will allow the design team and their well-testing sub-contractors to make the most of their deployments to the well field. The groundwater testing and related geological work is a critical path to maintaining and controlling the broad schedule of the project.
- The proposed Amendment No. 2 was brought to a recent CIWW TC meeting. All communities present voted in favor of proceeding with Amendment No. 2.
- Staff recommends the Board authorize the CEO and General Manager to execute Amendment No. 2 to the PSA with HDR Engineering, Inc., in the amount of \$825,000.
- The revised agreement amount with HDR Engineering, Inc., will be \$13,935,608.

**FISCAL IMPACT:**




Funds for Amendment No. 2 will come from the 2023 SWTP – Raw Water Expansion – 10 MGD budget.

**RECOMMENDED ACTION:**

Authorize the CEO and General Manager to execute Amendment No. 2 to the Professional Services Agreement with HDR Engineering, Inc., in the amount of \$825,000 for the SWTP Capacity Expansion project.

**BOARD REQUIRED ACTION:**

Motion to authorize the CEO and General Manager to execute Amendment No. 2 to the Professional Services Agreement with HDR Engineering, Inc., in the amount of \$825,000 for the SWTP Capacity Expansion project.

 Lindsey Wanderscheid, P.E. (date) 10/23/23 Engineering Supervisor	 Michael J. McCurnin, P.E. (date) 10/25/23 Director of Engineering Services	 Ted Corrigan, P.E. (date) 10/30/23 CEO and General Manager
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Attachments: None



**AGENDA ITEM FORM**

**SUBJECT: Request Authorization to Solicit Bids for 2023 FWTP Pump Station HVAC Upgrades and Establish the Date of the Public Hearing as the Date of the December 2023 Board Meeting**

**SUMMARY:**

- The spaces that are generally occupied in the Pumping Station building at the Fleur Drive Water Treatment Plant are currently conditioned with a 21-ton rooftop unit (RTU), terminal air boxes, and controls that were installed in 1989 and are beyond their useful life.
- The Control Center has been retrofitted with a water-cooled heat pump unit installed in 2002, using domestic water for heat rejection. There is no outside air being introduced.
- It has been recommended that the existing HVAC equipment, ductwork, and controls be replaced.
- The new equipment will address existing comfort and ventilation issues, will comply with current building codes, will be more energy efficient and reduce water consumption, and will reduce maintenance requirements.
- DMWW plans to install a new 20-ton rooftop unit and a dedicated 6-ton unit to serve the control room and server room. The reason for this is the control room is continuously occupied and therefore has different ventilation and energy recovery requirements.
- The terminal air boxes and ductwork will also be replaced at the same time.
- IMEG is preparing plans, specifications, and contract documents for the project.
- The engineer's cost estimate for the project is \$1,106,000.
- Staff recommends the Board authorize staff to solicit bids for the 2023 FWTP Pump Station HVAC Upgrades project and establish the date of the Public Hearing as the date of the December 2023 Board meeting.

**FISCAL IMPACT:**




Funds for this project will come from the 2023 and 2024 Facility Management budgets.

**RECOMMENDED ACTION:**

Authorize staff to solicit bids for the 2023 FWTP Pump Station HVAC Upgrades project and establish the date of the Public Hearing as the date of the December 2023 Board meeting.

**BOARD REQUIRED ACTION:**

Motion to authorize staff to solicit bids for the 2023 FWTP Pump Station HVAC Upgrades project and establish the date of the Public Hearing as the date of the December 2023 Board meeting, and direct staff to publish notice as provided by law.

 Lindsey Wanderscheid, P.E. (date) <u>10/27/23</u> Engineering Supervisor	 Michael J. McCurnin, P.E. (date) <u>10/27/23</u> Director of Engineering Services	 Ted Corrigan, P.E. (date) <u>10/28/23</u> CEO and General Manager
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Attachments: None

**AGENDA ITEM FORM**

**SUBJECT: Request Authorization to Solicit Bids for 2024 Filter Media Replacement – Fleur Drive Water Treatment Plant and Establish the Date of the Public Hearing as the Date of the December 2023 Board Meeting**

**SUMMARY:**

- At its June 2023 meeting, the Board of Water Works Trustees authorized the CEO and General Manager to execute a Professional Services Agreement with CDM Smith, Inc., for conducting a filtration pilot study for the existing filtration plant at the Fleur Drive Water Treatment Plant.
- The purpose of this pilot study is to evaluate alternative filter media configurations to address water quality and filtration capacity issues in the existing filtration plant at the Fleur Drive Water Treatment Plant.
- The filter media configurations that will be evaluated by the filtration pilot study are:
  - 18 inches of anthracite and 12 inches of filter sand operated under variable declining rate control.
  - 18 inches of anthracite and 12 inches of filter sand operated under constant rate control.
  - 24 inches of anthracite and 12 inches of filter sand to observe the impact of an additional 6 inches of anthracite.
  - 21 inches of sand to compare performance of the existing filter media configuration.
- The filtration pilot study will start in October 2023 and take approximately one year to complete. This is to evaluate performance of the filter media configurations for all temperatures of raw water that are treated during the year.
- The data collected from this filtration pilot study will:
  - Be used to contrast the feasibility, validity, and cost of the filter media configurations described above.
  - Provide the required justification to the Iowa Department of Natural Resources (IDNR) for the proposed filter media configuration that Des Moines Water Works will want to implement.
- While the filtration pilot study is conducted, the filter media in four of the existing sixteen filters needs to be replaced. This is due to the deteriorated condition of the filter media which was last replaced in the 1990s.
- Staff and its consultant, CDM Smith, Inc., are preparing plans, specifications, and contract documents for replacing the filter media in four of the existing filters beginning in January 2024. Work is scheduled to be completed by the summer of 2024.
- The engineer's cost estimate for the 2024 Filter Media Replacement – Fleur Drive Water Treatment Plant project is \$840,000.
- Staff recommends the Board authorize staff to solicit bids for the 2024 Filter Media Replacement – Fleur Drive Water Treatment Plant project and establish the date of the Public Hearing as the date of the December 2023 Board meeting.

**FISCAL IMPACT:**




Funds for this project will come from the Fleur Drive Treatment Plant, Filter Plant Rehabilitation Budget.

**RECOMMENDED ACTION:**

Authorize staff to solicit bids for the 2024 Filter Media Replacement – Fleur Drive Water Treatment Plant project and establish the date of the Public Hearing as the date of the December 2023 Board meeting.

**BOARD REQUIRED ACTION:**

Motion to authorize staff to solicit bids for the 2024 Filter Media Replacement – Fleur Drive Water Treatment Plant project and establish the date of the Public Hearing as the date of the December 2023 Board meeting.

 Vern Rash, P.E., L.S. Project Manager	 Michael J. McCurnin, P.E. Engineering Services Manager	 Ted Corrigan, P.E. CEO and General Manager
10/24/23 (date)	10/25/23 (date)	10/30/23 (date)

Attachments: None

**AGENDA ITEM FORM**

**SUBJECT: Request Authorization to Solicit Bids for 2023 Des Moines Water Main Replacement - Contract 4 and Establish the Date of the Public Hearing as the Date of the December 2023 Board Meeting**

**SUMMARY:**

- As part of the approved 2023 Des Moines Water Main Replacement budget, the streets identified below are to receive new water mains due to a history of main breaks and other service issues.
- Snyder & Associates is preparing and finalizing the plans, specifications, and contract documents for the 2023 Des Moines Water Main Replacement - Contract 4.
- The streets selected for this water main replacement contract consist of many short segments that are interconnected.
  - Work on E Pleasant View Drive will call for the installation of approximately 1529 feet of 8-inch Polyvinyl Chloride (PVC) and 590 feet of 8-inch Ductile Iron Pipe (DIP) water main.
  - Work on E Virginia Avenue will call for the installation of approximately 527 feet of 8-inch PVC water main.
  - Work on SE 6<sup>th</sup> Street will call for the installation of approximately 385 feet of 8-inch PVC and 20 feet of 8-inch DIP water main.
  - Work on SE 7<sup>th</sup> Street will call for the installation of approximately 260 feet of 8-inch PVC and 248 feet of 8-inch DIP water main.
- The engineer's estimate for this contract is \$1,677,000.00.

**FISCAL IMPACT:**

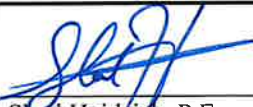


Funds for this project will come from the 2023 Des Moines Water Main Replacement budget.

**RECOMMENDED ACTION:**

Authorize staff to solicit bids for 2023 Des Moines Water Main Replacement - Contract 4 and establish the date of the Public Hearing as the date of the December 2023 Board meeting.

**BOARD REQUIRED ACTION:**

Motion to authorize staff to solicit bids for 2023 Des Moines Water Main Replacement - Contract 4 and establish the date of the Public Hearing as the date of the December 2023 Board meeting, and direct staff to publish notice as provided by law.

 Shad Haidsiak, P.E. Professional Engineer (date) <u>10/27/23</u>	 Michael J. McCurnin, P.E. Director of Engineering Services (date) <u>10/25/23</u>	 Ted Corrigan, P.E. CEO and General Manager (date) <u>10/30/23</u>
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Attachments: Site Map







DES MOINES WATER WORKS  
Board of Water Works Trustees

Agenda Item No. III-O  
Meeting Date: October 31, 2023  
Chairperson's Signature ☐ Yes ☒ No

### AGENDA ITEM FORM

**SUBJECT:** Regional 28E Review – Possible Closed Session

**SUMMARY:**

The Board will discuss the Regional 28E Agreement. With respect to regionalization process strategy, a discussion in closed session may be held.

The Board of Water Works Trustees may hold a closed session pursuant to:

- Iowa Code Section 388.9(1) to discuss marketing and pricing strategies and proprietary information that may impact its competitive position by public disclosure not required of potential or actual competitors related to ongoing negotiations over creating an integrated regional water authority. Each of these topics should be discussed in closed session to avoid disclosure likely to prejudice or disadvantage the position of the Des Moines Water Works.
- Iowa Code Section 622.10 to request and receive legal advice from retained legal counsel and to avoid waiver of the attorney-client privilege.
- Iowa Code Section 22.7(65) to review a tentative and preliminary draft prior to completion of the 28E agreement; and
- Iowa Code Section 21.5(1)(a) to discuss or review records which are required or authorized by state or federal law to be kept confidential.

**FISCAL IMPACT:**


As determined by discussion.

**RECOMMENDED ACTION:**

Vote to go into closed session to discuss strategy in matters relating to regionalization.

**BOARD REQUIRED ACTION:**

Any Board action deemed appropriate in view of regionalization strategy discussions.

<hr/> (date)	<hr/> (date)	 Ted Corrigan, P.E. CEO and General Manager (date)
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Attachments: none

**AGENDA ITEM FORM**

**SUBJECT: Information Items**

**SUMMARY:**

- A. Board Committee Reports
  - Finance and Audit Committee
  - Planning Committee
  - Greater Des Moines Botanical Garden Board
  - Des Moines Water Works Park Foundation
- B. CEO and General Manager's Comments
  - Quarterly Strategic Plan Update
- C. Safety Update
- D. 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.

<hr style="width: 100%;"/> (date)	<hr style="width: 100%;"/> (date)	 Ted Corrigan, P.E. CEO and General Manager (date)
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Attachments: DMWWPF Executive Summary, September Board Minutes, September 2023 Financials, Events Calendar; Quarterly Strategic Plan Update, Safety Update; Contract Status and Professional Services Agreements Spreadsheets



26 October 2023

## Updates from the Des Moines Water Works Park Foundation

October Meeting Minutes & September Financials Attached

### Programming

September and October were busy months but also mark the end of our busy season. A highlight of the last half of September was hosting the 19<sup>th</sup> Annual Des Moines Oktoberfest for the first time in the park. Reviews were incredibly positive for the relocation from the East Village from both event sponsors and attendees.



Several other festivals have taken note and we have several additional inquiries for next year. We hope to continue to grow the number of heritage festivals that take place in the park. The final amphitheater concert took place on the 29<sup>th</sup> and featured Paul Cauthen. It was a short side concert with about 1,200 in attendance and once again demonstrated the flexibility of the site. Short side concerts engage the Hubbell Celebration Lawn create a more intimate environment than the large side

concerts and demonstrate that the amphitheater can be utilized successfully for different size shows. Both the DMPS ONE RUN, the Wonder Women Run and the IMT Des Moines Marathon also took place in the park in September and October. Each race showcased the multi use aspects of the park. The Biergarten and local Bands, Brews and Bikes weekly concert series have continued through October and will wrap up at the end of the month, although the Biergarten may do some popup days if the weather is nice. Winterization will take place this week closing down the outside water fountains, but the restroom will remain open and accessible all winter. Girls on the Run will be the final race taking place and is scheduled in November.

As a celebration of our first full season of programming we hosted a donor appreciation event on October 20<sup>th</sup>. The season demonstrated that the financial aspects of the business plan for the "Big Splash – Phase I development" works. We will continue to enhance and diversify our revenue





streams to assure long term sustainability.

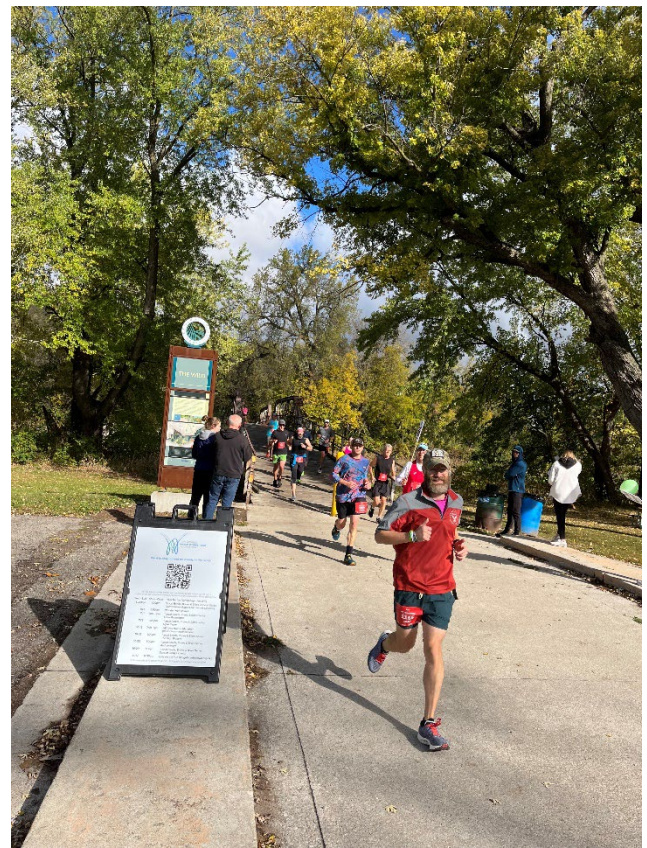
**Highlights of the season include:**

\*Ballet Des Moines – June 1  
Iowa Craft Brew Festival – June 3  
Nice Tri (Aethism benefit) – June 4  
\*Zenith Chamber Music Festival – June 8  
Charles Wesley Godwin – June 9  
\*Des Moines Pride – June 10  
Charlie Crocket – June 23  
Willie Nelson – June – 27  
Young the Giant - June 28  
Koe Wetzel – June 30  
Dirty Heads – July 3  
\*Peace Walk for Srebrenica – July 9  
\*Music Under the Stars – July 9  
The Dead South – July 13  
Styx – July 14  
Corridos Festival – July 15  
\*Ukraine Benefit – July 16  
\*Music Under the Stars - July 16  
Whiskey Meyers – July 20  
\*RAGBRAI & Lynard Skynard – July 26  
\*Iowa Dance Theater Choreography Festival – August 5  
Perry Johnson – American Dream Rally – August 12  
Above & Beyond Concert Elevate Festival – August 20  
Dominic Fike – August 21  
\*Des Moines Symphony - Direct from Sweden: The Music of ABBA - September 2  
\*Des Moines Symphony – Heroes & Legends - September 3,  
Jordan Davis - September 15  
Women Owned Business Pop Up market – September 16  
Oktoberfest – September 22 – 24  
DMPS ONE RUN – September 23  
Paul Caurther – September 29  
Wonder Women Run – October 1  
IMT Des Moines Marathon – October 15  
Girls on the Run – November 12

*\*Part of the Foundation's Free Cultural Series  
Completed*









**DES MOINES WATER WORKS PARK FOUNDATION**  
**Board of Directors Meeting**  
**Friday, October 13, 2023 – Board Meeting - 12:00 - 1:30 PM**  
**Meeting Minutes**



**DMWWPF Vision:** *Water Works Park is the place where nature and people flourish.*

**DMWWPF Mission:** *Foster stewardship for clean water and nature through unique learning opportunities, cultural experiences, and outdoor adventures.*

**BOD Members in Person Attendance:** Andrea Boulton, Pat Bruner, Crystal Franke, Amy Jennings, Jenny Herrera, Drew Manatt, Brad Sporrer and Matt Van Loon

**BOD Members Virtual:** Jason Stone, Ashley Aust, Taylor Boland, Chris Lightfoot

**BOD Members Absent:** Jenn Cross, Raul Cunarro, Ardis Kelley, and Corey Morrison

**Guests/Staff:** Sam Carrell – DMWWPF; Teri and Andy TeBockhorst - DMWWPF;

- I. **Call to Order & Welcome/Affirm Agenda** – Jason Stone called the meeting to order at 12:02 PM.
- II. **Approve Minutes:**
  - Upon a motion by Andrea Boulton, and a second by Crystal Franke, the Board of Directors unanimously approved the Des Moines Water Works Park Foundation Meeting Minutes for September 2023.
- III. **President's Report** – Jason Stone provided an update on items that we will discuss during this meeting.
- IV. **Financial Report** – Sam Carrell
  - August 2023 Financials – Sam reported on the August 31, 2023 balance sheet and the August 31, 2023 income statement and discussion ensued. Upon a motion by Andrea Boulton, and a second by Jenny Herrera, the Board unanimously accepted the August 2023 Financials.
- V. **Committee Reports**
  - Governance – Ashley Aust
    - The committee is working on 2024 Board. If the committees have members that would be candidates for the Board, please let Ashley know.
  - Programming – Jenny Herrera
    - Jenny updated the board on the Des Moines Marathon and volunteers for the DMWWPF.
  - Marketing – Chris Lightfoot
    - The committee is working on the website with regard to content and navigation.
    - On track to launch membership in November.
    - The Newsletter will be going out mid-November.
  - Development – Teri Wood TeBockhorst
    - Teri updated the board on the Donor Appreciation Dinner and what the board can expect from the event.
- VI. **Executive Director Report** – Sam Carrell
  - Financial Services RFP has gone out and we have received several responses. We are working to have proposals for approval at the next board meeting.

- Development Brochure – we will get these out to the board members and we will work to get this to interested parties.
- Confidential Des Moines Music Coalition Proposal was discussed by the board.
- Donor Wall Proposal – Sam updated the board on the proposal for the Donor Wall.
- Sam provided a 2023 Season update for the remaining events.

**VII. Announcements**

- The November BOD meeting will be on November 17th at Ryan Companies due to Veterans Day Observance on the 10th.

**VIII. Adjourn** – Upon the motion of Brad Sporrer, and second by Amy Jennings, the Meeting was adjourned at 1:17 PM.

Respectfully submitted by Ashley Aust, Board Secretary.

Des Moines Water Works Park Foundation

<i>Comparative Statements of Financial Position as of</i>	<u>September 30, 2023</u>	<u>August 31, 2023</u>	<u>December 31, 2022</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 201,640.36	\$ 273,973.38	\$ 184,062.05
Investments - Endow Iowa	51,831.99	52,905.48	48,176.08
Pledges Receivable	497,607.07	497,607.07	634,107.07
Prepaid Expenses	2,314.85	2,645.48	1,005.28
<b>Total Assets</b>	<u>\$ 753,394.27</u>	<u>\$ 827,131.41</u>	<u>\$ 867,350.48</u>
Accounts Payable	\$ -	\$ 10,078.25	\$ 11,007.53
Accrued Expenses	1,730,212.29	1,730,212.29	1,790,212.29
Loan Payable - Line of Credit	373,204.55	445,034.55	484,370.55
<b>Total Liabilities</b>	<u>\$ 2,103,416.84</u>	<u>\$ 2,185,325.09</u>	<u>\$ 2,285,590.37</u>
<b>NET ASSETS</b>			
Net Assets without donor restrictions:			
Available to Spend	\$ 1,043,534.63	\$ 1,034,290.03	\$ 899,414.69
Net Assets with donor restrictions:			
Endow Iowa	51,831.99	52,905.48	48,176.08
Karras Kaul Sculpture (Ragbrai)	10,107.21	10,107.21	10,957.21
Park Improvement/Fleur Trail	(2,455,496.40)	(2,455,496.40)	(2,376,787.87)
<b>Total Net Assets</b>	<u>\$ (1,350,022.57)</u>	<u>\$ (1,358,193.68)</u>	<u>\$ (1,418,239.89)</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 753,394.27</u>	<u>\$ 827,131.41</u>	<u>\$ 867,350.48</u>

Des Moines Water Works Park Foundation  
Consolidated Statement of Financial Activity and Change in Net Assets  
For the nine months ending September 30, 2023

	September-23					FISCAL YEAR TO DATE			Annual Budget
	Operating	Development	Programming	Capital	Total	Actual	Budget	Budget Variances	2023
<b>REVENUES AND OTHER SUPPORT</b>									
Corporate & Foundation Giving	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,017.24	\$ 69,120.00	\$ (68,102.76)	\$ 92,160.00
Individual Gifts	-	715.00	-	-	715.00	13,863.44	3,750.00	10,113.44	5,000.00
Merchandise Sales	-	-	-	-	-	1,430.40	-	1,430.40	-
Miscellaneous Income	-	-	-	-	-	161.33	-	161.33	-
Park Sponsorship	-	-	-	-	-	-	93,750.00	(93,750.00)	125,000.00
Program Income	-	-	-	-	-	19,150.00	-	19,150.00	-
Special Event Income	-	-	9,622.06	-	9,622.06	304,858.49	37,500.00	267,358.49	50,000.00
State Grant Income	-	-	-	-	-	-	-	-	-
User/Vendor Revenue	-	-	18,250.00	-	18,250.00	35,550.00	317,962.50	(282,412.50)	423,950.00
Investment Income, net of fees	(350.26)	-	-	0.54	(349.72)	6,789.56	-	6,789.56	-
<b>Total Revenues and Other Support</b>	\$ (350.26)	\$ 715.00	\$ 27,872.06	\$ 0.54	\$ 28,237.34	\$ 382,820.46	\$ 522,082.50	\$ (140,853.77)	\$ 696,110.00
<b>EXPENSES</b>									
Accounting/Audit	\$ 875.00	\$ -	\$ -	\$ -	\$ 875.00	\$ 7,875.00	\$ 8,311.88	\$ (436.88)	\$ 11,082.50
Advancement Tools	-	-	-	-	-	10.70	-	10.70	-
Amphitheater Programming	-	-	5,664.30	-	5,664.30	60,232.45	78,750.00	(18,517.55)	\$ 105,000.00
Building Maintenance	-	-	-	-	-	51,863.30	-	51,863.30	-
Consulting Services	-	-	-	-	-	2,000.00	-	2,000.00	-
Community Programming	-	-	500.00	-	500.00	7,000.00	19,687.50	(12,687.50)	26,250.00
Development	-	-	-	-	-	-	60,375.00	(60,375.00)	80,500.00
Food Expense	-	-	-	-	-	144.99	-	144.99	-
Furnishing Expense	-	-	-	-	-	22,161.74	-	22,161.74	-
General Office	437.56	177.50	505.00	-	1,120.06	10,844.68	4,125.00	6,719.68	5,500.00
Governance	-	-	-	-	-	1,158.50	2,212.50	(1,054.00)	2,950.00
Information Technology	-	79.49	-	-	79.49	868.92	-	868.92	-
Interest Expense	-	-	-	-	-	25,294.85	26,250.00	(955.15)	35,000.00
Marketing	427.38	-	-	-	427.38	2,022.98	15,600.00	(13,577.02)	20,800.00
Misc. Expense	-	-	-	-	-	-	375.00	(375.00)	500.00
Office Equipment	-	-	-	-	-	843.31	-	843.31	-
Park Maintenance	-	-	-	-	-	-	33,750.00	(33,750.00)	45,000.00
Professional Services	-	-	-	-	-	51,477.00	-	51,477.00	-
Rent Expense	-	-	-	-	-	1,040.00	-	1,040.00	-
Staffing & Administrative Costs	11,400.00	-	-	-	11,400.00	60,970.00	115,200.00	(54,230.00)	153,600.00
Sponsorship Activity	-	-	-	-	-	225.00	-	225.00	-
Supplies Expense	-	-	-	-	-	240.00	-	240.00	-
Travel Expense	-	-	-	-	-	15.60	-	15.60	-
Utilities	-	-	-	-	-	6,689.12	8,590.50	(1,901.38)	11,454.00
Website Maintenance	-	-	-	-	-	1,625.00	-	1,625.00	-
<b>Total Expenses</b>	\$ 13,139.94	\$ 256.99	\$ 6,669.30	\$ -	\$ 20,066.23	\$ 314,603.14	\$ 373,227.38	\$ (81,010.98)	\$ 497,636.50
<b>Change in Net Assets</b>	\$ (13,490.20)	\$ 458.01	\$ 21,202.76	\$ 0.54	\$ 8,171.11	\$ 68,217.32	\$ 148,855.13	\$ (59,842.80)	\$ 198,473.50
<b>Net Assets, Beginning of Year</b>						(1,418,239.89)			
<b>Net Assets, End of Year</b>						<u>\$ (1,350,022.57)</u>			

KEY
Sport/Fitness Event
DMWWPF Event
Wedding/shelter
Misc. (car shows, political events, festivals)

2023	Date	Event
July	3	Dirty Heads
	9	Music under the stars
	9	DSM Criterium bike race
	9	Peace Walk
	9	Music under the stars
	13	Dead South concert
	14	Styx concert
	14	Private shelter rental
	14-15	Beaverdale Bluegrass festival
	15	Private Shelter rental
	15	Moonlight Classic bike ride
	15	Hispanic concert
	16	Music under the stars
	16	Private shelter rental
	16	Ukraine Benefit
	18	Plant tour
	20	Bike Race
	20	Whiskey Meyers concert
	26	RAGBRAI - camping and concert
	29-30	Iowa Coursing Hounds
August	2	DSM Criterium bike race
	2	Plant tour - RRAP
	5	Iowa Dance Theater
	5-6	Karen Association of Iowa - soccer
	11	Private shelter rental
	12	Private shelter rental
	12	DSM Criterium bike race
	12	American Dream Rally/concert
	13	Ruan appreciation picnic
	13	Bartet Market Pop in
	13	Private shelter rental
	13	Lyceum event
	16	Lead DSM Orientation
	18	Plant tour - Congressmand Nunn Staff
	19-20	Karenni Comm of DSM - soccer
	20	Elevate above and beyond cancer event
	21	Dominic Fike concert
	24	Private gazebo rental
	27	Peddle for the Pantry Ride
	31	USA RAPTORS band
September	2-3	DSM Symphony
	7	plant tour - agribusiness
	8	DMWW social club employee luncheon
	8	Private Shelter rental
	9-10	Karen Association of Iowa - soccer
	10	School of Rock dance event
	11	Champaign event
	13	DSM Criterium bike race
	13	Leader Institute DSM Alumni event
	13	Plant tour -
	15	Jordan Davis concert
	16	Private Shelter rental
	16	Pop up market
	17	Hy-Vee marathon
	17	New City Church
	17	Private Shelter rental
	20	Private Shelter rental
	20-24	Octoberfest - set up, event
	21	Private Shelter rental
October	22-24	Ikes outdoor expo
	22	Plant tour City of Adel
	23	Private fountain rental
	23	DMPS One Run
	27-Oct 1	Polk County Democrats - set up, event
November	26	Private event amphitheater
	29	Paul Cauthen concert
	1	Wonder Women run
	8	Blazing 5K
	9	Plant tour - legislators

# 2023 Strategic Plan Third Quarter Update

## One Team (Employee Experience)

**Initiative:** Invest in and improve the employee experience by focusing on safety, staff levels, training, recognition, succession, and retention to build and support a more robust and diverse employee experience and allow DMWW to become an employer of choice in central Iowa.

### FOCUS AREA: EMPLOYEE HEALTH AND SAFETY

**KPI 1:** 100% of required training scheduled and tracked with a minimum of 90% completed in 2023

In 2023 employees have completed 10,444 individual training courses or safety talks. We have scheduled 3,908 required trainings so far this year and 92% have been completed. We anticipate this percentage will increase as employees continue to complete the required trainings each week.

**KPI 2:** 100% of new hire/transfer safety checklist completed with 60 days of hire date

Currently, this year, we have 49 new hires or existing employees that transferred into a new position. 42/49 employees completed the new hire/transfer safety checklist within 60 days of being assigned in the new software. Ten more employees are currently working through their designated checklist. Prior to April 20th, when the new software was implemented, we had a few employees that did not complete the safety checklists within 60 days but have since completed them. The newly created Field Training Specialist position started on July 10th.

### FOCUS AREA: EMPLOYEE RETENTION

**KPI 3:** Maintain a turnover ratio of 10% or less of regular full and part-time benefited employees for 2023

Our turnover ratio was at 10.1% as of September 30, 2023. This number includes several retirements. The DMWW Social Club has met four times to date. On July 15th, an employee bike ride was organized. Volunteer opportunities continue with Habitat for Humanity and now with Meals from the Heartland. On Sept 8, the social club sponsored an all-employee lunch in advance of the Iowa vs. ISU game.

## Customer Experience

**Initiative:** Enhance customer experience by assessing affordability within the current retail rate structure and planning for lead service line replacement.

### FOCUS AREA: RATE STRUCTURE AND AFFORDABILITY STUDY

**KPI 4:** Complete a water rate affordability assessment and develop implementation plan based on consultant recommendations by Q4 2023.

Raftelis has completed their assessment of DMWW's rate affordability and concluded there is no widespread water affordability problem in the Des Moines area. Representatives from Raftelis will present their analysis and findings at the December Finance and Audit Committee meeting.

## FOCUS AREA: LEAD SERVICE LINE REPLACEMENT

**KPI 5:** Replace 100 lead water service lines.

Lead service line replacement strategy for 2023 Des Moines WMR Contracts has been developed. In addition, a pilot project in the River Bend neighborhood has commenced. To date, eleven lead service lines have been replaced. Additional communication, including door knocking, has been initiated in the River Bend neighborhood to try to increase participation in the pilot program.

The Iowa SRF program administrator has communicated that loan forgiveness of 49% is offered for construction costs related to privately-owned service lines in disadvantaged census tracts. DMWW's proposal requesting approximately \$12 million in funding to replace 1,000 service lines over the next 2-3 years will need to be re-evaluated in light of the fact that only 49% of those costs are forgivable, thereby creating a funding gap.

## Leadership

**Initiative:** Implement a regional governance system for source, treatment, and transmission of drinking water in the Des Moines metro area.

## FOCUS AREA: REGIONAL GOVERNANCE

**KPI 6:** Negotiate CIWW 28E agreement with terms acceptable to “critical mass” of regional partners and facilitate execution by Q4 2023.

The third and final draft of the CIWW 28E/F Agreement was distributed to regional partners on September 15<sup>th</sup>. Staff and members of the core group have met with all regional partners, city councilors, county supervisors, etc. to answer questions and promote participation in CIWW. A number of public open houses and other public meetings have been held to answer questions and receive feedback. Regional partners have been asked to pass a resolution of participation in October or November in anticipation of authorizing execution of the 28E/F Agreement in December. While two communities have opted out, we appear to be on a path which will reach critical mass.

**KPI 7:** Meet with each of the 13 potential member agencies to answer questions and help facilitate up to 10 of the agencies appointing their Board representatives by Q4 2023.

Staff and core group members have met with all potential member agencies and while we appear to be on a path which will reach critical mass, it is likely Board members will be appointed in early 2024.



## Stewardship

**Initiative:** Appropriately reinvest in our infrastructure by setting realistic expectations for Capital Improvement Plan implementation and by facilitating obligation of budgeted CIP dollars.

### FOCUS AREA: CAPITAL REINVESTMENT

**KPI 8:** Obligate 90% of CIP dollars budgeted for water main replacement in 2023.

Through September of 2023 the KPI is at 56%. This KPI is lagging at the present time. Additional WMR contracts will be awarded in the last quarter of the year that may push this metric to near 70% by years end. Staff has entered multiple PSAs to keep WMR design efforts progressing through 2023 and into 2024.

**KPI 9:** Obligate 90% of utility wide CIP dollars budgeted in 2023.

Through September of 2023 the KPI is at 53%. Design efforts remain in progress for several plant and remote site projects with bid and award steps slated for the last quarter of the year. Projects currently under design will likely account for an additional 5% on this metric. This KPI is lagging at the present time and will fall well short of targets at year end.

### FOCUS AREA: CLIMATE ACTION PLAN

**KPI 10:** Determine direction DMWW will take in terms of Climate Action Planning to articulate a plan and budget for 2024 by end of Q3.

Staff has developed a draft Request for Qualifications (RFQ) for the initial steps of developing a Climate Action Plan and have shared it with other sustainability professionals for their feedback. We intend to release the RFQ in mid-November with a deadline of mid-December and hope to enter into a professional services agreement for climate action planning in January 2024.

## Diversity, Equity, & Inclusion

**Initiative:** Formally recognize and plan how the utility values Diversity & Inclusion as a part of its business and service in community and foster an environment that enriches the employee and customer experiences.

### FOCUS AREA: DIVERSITY, EQUITY, & INCLUSION

**KPI 11:** Implement five key recommendations from DE&I Implementation & Communications Plan

DMWW received the final 2022 Keen Independent Diversity, Equity & Inclusion Study and Recommendation Report in February 2023, and the report was made available to DMWW employees in March 2023. DMWW contracted with Schabel Solutions in January 2023 for DMWW's 2023 DE&I Project Plan, including workplace, workforce and marketplace strategies. DMWW employee Taskforce consisting of 11 utility wide employees met several times and they have drafted a DMWW Statement. Schabel Solutions is meeting with DMWW Human Resources for workforce review. Marketplace review and conversations with stakeholders will begin the first quarter of 2024.

## FOCUS AREA: IMPROVE TRUST IN TAP WATER

**KPI 12:** Identify two interventions from the CIVIC Bottled Water Study that DMWW can implement to improve trust in tap water.

Des Moines Water Works identified several interventions from Phase I: 1) Expanding outreach and developing relationships into the community. This has already started to occur with participation in a free meal and resource fair for Welcoming Week in a partnership with Polk County. DMWW has designated several other events and outreach opportunities for a larger outreach program that will start with the 2024 budget year. DMWW has begun meeting with refugee and immigrant groups in central Iowa to develop communications strategies and further outreach opportunities. 2) Expansion of mobile water station program. DMWW budgeted \$10,000 for the 2024 budget year to expand access to water. In addition, DMWW will apply for \$10,000 through a Polk County Community Betterment Grant. DMWW is also seeking \$50,000 from Polk County (through ARPA) to purchase a larger mobile water trailer.

# 2023 Strategic Plan

## Employee Experience

### Employee Health and Safety

**KPI 1:** 100% of required training scheduled and tracked in 2023



**KPI 2:** 100% of new hire/transfer safety checklist completed with 60 days of hire date



### Employee Retention

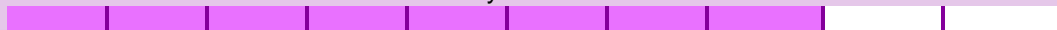
**KPI 3:** Maintain a turnover ratio of 10% or less of regular full and part-time benefited employees for 2023



## Customer Experience

### Rate Structure and Affordability Study

**KPI 4:** Complete a water rate affordability assessment and develop implementation plan based on consultant recommendations by Q4 2023.



### Lead Service Line Replacement

**KPI 5:** Replace 100 lead water service lines.



## Leadership

### Regional Governance

**KPI 6:** Negotiate CIWW 28E agreement with terms acceptable to "critical mass" of regional partners and facilitate execution by Q4 2023.



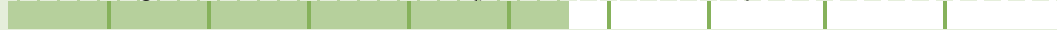
**KPI 7:** Meet with each of the 13 member agencies to answer questions and help facilitate up to 10 metro agencies appointing their Board representatives by 12/31/23.



## Stewardship

### Capital Reinvestment

**KPI 8:** Obligate 90% of CIP dollars budgeted for water main replacement in 2023.



**KPI 9:** Obligate 90% of utility wide CIP dollars budgeted in 2023.



### Climate Action Plan

**KPI 10:** Determine direction DMWW will act in terms of Climate Action Planning to articulate a plan and budget for 2024 by end of Q3.



## Diversity, Equity, & Inclusion

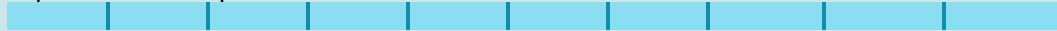
### KPI 11: Diversity, Equity, and Inclusion

**KPI 11:** Implement five key recommendations from DE&I Implementation & Communications Plan



### KPI 12: Improve Trust in Tap Water

**KPI 12:** Identify two interventions from the CIVIC Bottled Water Study that DMWW can implement to improve trust in tap water



## MEMORANDUM

DATE: October 24, 2023

TO: Ted Corrigan, CEO and General Manager  
Kyle Danley, COO

FROM: Dylan White, Field Safety Specialist

SUBJECT: Safety Memo

Injuries

6 (06/19/2023)

Accidents

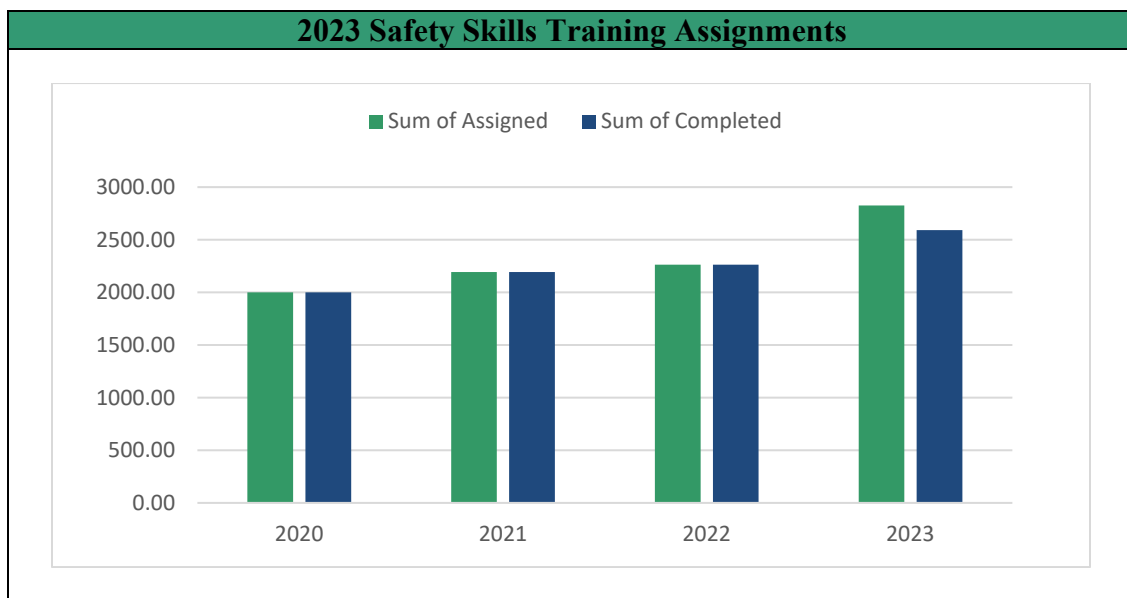
12 (7 preventable)

Near Misses

21 Awareness

44 Actionable (61% resolved)

- Over the last four years, Des Moines Water Works has expanded the use of the Learning Management System, Safety Skills.
- A more substantial increase from the year 2022 to 2023 is illustrated below. This is largely due to the integration of the software into the new hire and position transfer process.
- The number of topics assigned varies by position. For example, a Maintenance Technician (WP) would have more topics assigned than a Grounds Laborer.
- The new hire/transfer process is continuously refined.



## COMPETITIVE BIDS CONTRACT STATUS FOR OCTOBER 2023

2021 Well Rehabilitation	SWTP sites complete. MWTP #6 to be completed in fall of 2023.	Contractor Notice to Proceed Original Contract Sum Net Change by Change Orders Contract Sum to Date Total Completed to Date Anticipated Completion Date	Layne Christensen Company, Inc. 2/14/2022 \$1,344,820.00 \$743,265.00 \$2,088,085.00 \$1,081,996.00 Dec-23
L. P. Moon Pumping Station - Pump No. 8	Start-up complete. Final punch list items remain.	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 1/9/2023 \$123,390.00 \$4,654.00 \$128,044.00 \$123,381.90 Sep-23
Norwalk Highway G14 Meter Vault	Electrical and control work being finalized.	Contractor Notice to Proceed Original Contract Sum Net Change by Change Orders Contract Sum to Date Total Completed to Date Anticipated Completion Date	Rognes Corp. 4/6/2022 \$536,000.00 \$2,853.00 \$538,853.00 \$474,392.65 Nov-23
Fleur Drive Operations Center Stormwater System Improvements - Phase 2	Construction is substantially complete. Acceptance deferred until resolution of transformer issue.	Contractor Notice to Proceed Original Contract Sum Net Change by Change Orders Contract Sum to Date Total Completed to Date Anticipated Completion Date	WRH, Inc. 3/28/2022 \$1,179,900.00 \$24,622.89 \$1,204,522.89 \$1,189,022.89 Nov-23
McMullen High Service Pump Building HVAC and Roofing Upgrades	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	Brockway Mechanical & Roofing Co., Inc. 4/17/2023 \$233,094.00 \$6,950.00 \$240,044.00 \$130,082.00 Jan-24
Maffitt East Feeder Main - Valve Vault	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	WRH, Inc. 6/12/2023 \$1,280,000.00 \$0.00 \$1,280,000.00 \$62,000.00 Apr-24

Item IV-D

2023 Des Moines Water Main Replacement - Contract 1	Construction in progress	Contractor	Corell Contractor, Inc.
		Notice to Proceed	5/24/2023
		Original Contract Sum	\$2,145,227.00
		Net Change by Change Orders	\$0.00
		Contract Sum to Date	\$2,145,227.00
		Total Completed to Date	\$0.00
		Anticipated Completion Date	Sep-24
DMWW Grounds Maintenance Facility	Construction in progress	Contractor	Henkel Construction Company
		Notice to Proceed	10/2/2020
		Original Contract Sum	\$3,780,900.00
		Net Change by Change Orders	\$0.00
		Contract Sum to Date	\$3,780,900.00
		Total Completed to Date	\$0.00
		Anticipated Completion Date	Dec-24
MWTP Truck Scale Replacement	Construction in progress	Contractor	Edge Commercial
		Notice to Proceed	10/6/2023
		Original Contract Sum	\$823,000.00
		Net Change by Change Orders	\$0.00
		Contract Sum to Date	\$823,000.00
		Total Completed to Date	\$0.00
		Anticipated Completion Date	Mar-24
FDTP Closed Loop Cooling Systems	Contract signed. Notice to proceed and pre-construction meeting to be calendared.	Contractor	The Waldinger Corporation
		Notice to Proceed	TBD
		Original Contract Sum	\$1,458,216.00
		Net Change by Change Orders	\$0.00
		Contract Sum to Date	\$1,458,216.00
		Total Completed to Date	\$0.00
		Anticipated Completion Date	Jun-24

COMPETITIVE QUOTATIONS CONTRACT STATUS FOR OCTOBER 2023

2023 Des Moines Hydrant Relocations - Phase 1

Contractor	J&K Contracting, LLC
Notice to Proceed	10/17/2023
Original Contract Sum	\$86,200.00
Net Change by Change Orders	\$0.00
Contract Sum to Date	\$86,200.00
Total Completed to Date	\$0.00
Anticipated Completion Date	May-24

# PROFESSIONAL SERVICES AGREEMENTS

Service	Selected Vendor	Date	Amount	Comments
Updates to Regional Cost Model with Retail Rate Impacts	FCS Group	1/1/2021	\$33,200	
Social Media Consultant	Megan McDowell	2/15/2021	\$909.09/month	Independent contractor
Engineering Services - Drafting water main relocations for City of Des Moines Hamilton Drain - Phase 2	Kirkham Michael	2/25/2021	\$10,000	COMPLETE
Design and construction services: Joint Eastside Booster Station Hypochlorite Feed System	Veenstra & Kimm, Inc.	6/8/2021	\$22,900	
Design and construction services: Operation Center Stormwater Pump Station Improvements	Veenstra & Kimm, Inc.	6/8/2021	\$50,150	
Roof Membrane Relaxation Design	WTI	7/2/2021	\$3,000	
Design and preconstruction for DSM River Intake Roofing and Structural Modification	Accord Architecture	7/2/2021	\$9,280	COMPLETE
Maffitt East Feeder Main Control Valve Design	Stanley Consultants	8/6/2021	\$46,920	COMPLETE
Engineering & Drafting assistance - 2021 DM WMR #4	JEO Consulting Group	8/16/2021	\$20,270	COMPLETE
Government Relations Services - October 1, 2021 - September 30, 2022	Woodberry Associates, LLC	9/22/2021	\$5,000/month	COMPLETE
Engineering Services - Drafting water main relocations for City of Des Moines SE Connector SE 30th to US Hwy 65	Kirkham Michael	9/24/2021	\$10,000	COMPLETE
Legislative Advocacy - October 1, 2021 - December 31, 2022	Advocacy Strategies	9/24/2021	\$53,125	\$10,625/qtr
Survey Services for 2022 WMR - SW 10th Place	Snyder & Associates	11/9/2021	\$24,600	COMPLETE
Survey Services for 2022 WMR - SW 11th Street	Snyder & Associates	11/9/2021	\$24,600	COMPLETE
Specs and Contract Documents for 2022 Tank Painting - Tenny	Dixon Engineering	11/24/2021	\$5,125	COMPLETE
Drafting and Design for City of DM 2nd Ave. Improvements Project - University Ave to 2nd Ave Bridge	Bolton & Menk	11/22/2021	\$39,510	
Survey Services for 2022 WMR - Luster Ln & SW 9th St	McClure Engineering	12/1/2021	\$19,325	COMPLETE
Specs and Contract Documents for 2022 Tank Painting - Runnells	Dixon Engineering	12/28/2021	\$6,625	COMPLETE
Communications, Public Relations - Melissa Walker	MW Media Consultants, LLC	1/1/2022	\$4,800/month	
Consulting Services for Replacement of Financial Mgmt. Software	Adbo Financial Solution	2/11/2022	\$98,400	
2022 Voice of the Customer Survey/Research	SPPG+Essman Research	3/21/2022	\$40,000	
Survey Services for 2022 Des Moines WMR - Contract 2	Snyder & Associates	3/22/2022	\$37,953	
Diversity and Inclusion Plan	Keen Independent Research	4/15/2022	\$49,985	
Inspection Services for Tenny Standpipe painting	KLM Engineering, Inc.	5/12/2022	\$60,295	
Engineering Services - Drafting water main relocations for City of Des Moines Hamilton Drain - Phase 3	Kirkham Michael	6/15/2022	\$20,000	
Engineering Svcs for City of DM E Court Ave from DM River to E14th St	Shive-Hattery	6/23/2022	\$112,500	
Grounds Maintenance Facility	SVPA Architects	6/30/2022	\$118,280	
Water Main Design for Windsor Heights 73rd St. Phase 1 Improvements	Bolten & Menk, Inc.	7/14/2022	\$30,000	
Development of Drafting Standards for Engineering Department	DTM Solutions	8/30/2022	\$13,200	
MicroStation Connect and OpenRoads Designer Training	DTM Solutions	8/30/2022	\$3,800	
Design, Bid, and Construction Administration Services - MWTP HVAC	Shive-Hattery	9/26/2022	\$25,750	
Engineering Services - Closed Loop Cooling Projects Planning Study	IMEG	9/27/2022	\$23,600	COMPLETE
Engineering Services - Vine Street Water Main Improvements	ISG, Inc.	11/4/2022	\$21,600	
FDWTP 5KV Study	KFI	11/16/2022	\$38,100	
DM River and NW Beaver Drive Geotechnical Exploration Services	Allender Butzke Engineers, Inc.	11/16/2022	\$15,000	
SWTP Transmission Improvements Design & Construction	Snyder & Associates	11/28/2022	\$1,078,400	
FDWTP Pumping Station HVAC - RTU Replacement	IMEG	12/29/2022	\$84,700	
Roof Relaxation Specs, Drawings and Bidding Documents	WTI	1/18/2023	\$7,250	
LP Moon ASR Pump Electrical Evaluation	AECOM	1/20/2023	\$7,800	
Hickman Feeder Main Relocation Design & Construction Services	Snyder & Associates	1/24/2023	\$82,700	
McMullen Truck Scale Improvements Engineering Services	Snyder & Associates	1/31/2023	\$63,500	
MWTP Chemical Feed Improvements Engineering Services	McClure Engineering	2/3/2023	\$106,670	
SWTP Capacity Expansion Design & Construction Services	HDR Engineering	2/6/2023	\$12,999,057	
Closed Loop Cooling Projects Design	IMEG	3/1/2023	\$47,300	COMPLETE
McKinley Ave Reconstruction from SW 9th to SW 14th	HR Green, Inc.	3/1/2023	\$70,500	
ASR at Polk County Pumping Station	Strand & Associates	3/14/2023	\$909,400	
2023 DM WMR Contract 2 Surveying Services	McClure Engineering	5/1/2023	\$64,746	
2023 DM WMR Contract 3 Surveying Services	McClure Engineering	5/1/2023	\$43,158	
Affordability Study	Raftelis	5/3/2023	\$79,785	
FDTP - Distribution Building Improvements	WJE	5/31/2023	\$70,000	
Maffitt East Feeder Main Control Valve Construction Testing	Allender Butzke Engineers, Inc.	6/6/2023	\$16,231	
Maffitt East Feeder Main Control Valve Design	Stanley Consultants	6/7/2023	\$40,000	
Maffit East Feeder Main Control Valve Cathodic Protect	Corpro Corrosion Companies	9/14/2023	\$5,000	
2023 DM WMR Contract 4 Surveying Services	Snyder & Associates	6/13/2023	\$26,624	
5 kV Switchgear Controls - Phase 1	KFI Engineers, Inc.	6/28/2023	\$119,000	
FDWTP Filtration Pilot Study	CDM Smith	6/29/2023	\$333,900	
FDWTP Filter Media Replacement	CDM Smith	7/14/2023	\$90,600	
Saylorville Water Treatment Plant RO Pilot	Wigen	8/9/2023	\$55,000	
Saylorville Water Treatment Plant RO Pilot	Harn	8/11/2023	\$62,750	
FDTP Closed Loop Cooling Systems	IMEG	8/15/2023	\$69,200	
FDTP - Distribution Building Improvements	SVPA Architects	8/30/2023	\$34,780	
2024 City of DM WMR Contract 1	McClure Engineering	8/31/2023	\$55,854	