



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

POLICY MANUAL

(Amended & Restated May 28, 2024)

BOARD POLICY MANUAL

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SECTION 1
GENERAL

101 Legal Status and Name.

101.1 The Board of Water Works Trustees of the City of Des Moines, Iowa is a municipal water utility also known as, and sometimes referred to herein as, the Des Moines Water Works. It is organized and existing under Chapter 388, Code of Iowa. It is a municipal entity and a political subdivision of the State of Iowa.

101.2 The official name of the entity, and of its governing board, is the “Board of Water Works Trustees of the City of Des Moines, Iowa.”

102 Historical Background.

102.1 The Des Moines Water Works has been providing continuous water service to the citizens of Des Moines as a water utility since 1871.

102.2 In 1919, the private water company became a publicly owned utility, governed by a Board of Trustees.

102.3 The Des Moines Water Works has served water customers as a municipal utility since 1919 and currently serves customers on a retail and wholesale basis both within, and outside, the City of Des Moines.

103 Statements of Purpose.

103.1 To provide a safe, high quality water supply to customers at the least possible expense.

103.2 To establish and maintain service standards for water quality, quantity, reliability, and availability.

103.3 To promote an image to the public which demonstrates ability and eagerness to provide service.

103.4 To provide a safe working environment for employees, which promotes job satisfaction and stimulates performance.

103.5 To maintain and acquire utility property to remain in compliance with mandatory and proposed regulatory requirements.

103.6 To generate sufficient revenue to repay long-term debt and to meet operating and capital expenditures to satisfy the above stated purposes.

103.7 To make suitable portions of Des Moines Water Works’ grounds available for public use and enjoyment to the extent consistent with the above-stated purposes.

- 103.8 To assist, support, and provide services to other water utilities to assist them in providing safe, high quality water supplies to their customers and to communities.

SECTION 2 BOARD OF TRUSTEES

201 Statement of Principles.

- 201.1 The authority of the Board of Trustees with respect to the operation of the Des Moines Water Works is plenary and subject only to the limitations provided by law.
- 201.2 It is the policy of the Board of Trustees to recognize and maintain the distinction between activities, which are appropriate to the Board of Trustees as the governing body of the Des Moines Water Works, and those activities, which are to be performed by the staff of the Des Moines Water Works.
- 201.3 The functions of the Board of Trustees can be described as policy making, appraisal, and evaluation. Execution of policies is delegated to the staff of the Des Moines Water Works as provided in these policies.

202 Powers of Board.

- 202.1 The Board of Trustees derives its legal status from the constitution and laws of the State of Iowa, including but not limited to Chapter 388 and Chapter 384, Code of Iowa.
- 202.2 The full power and authority of management of the Des Moines Water Works is vested in the Board of Trustees by Section 388.4, Code of Iowa.

203 General Exercise of Powers and Duties.

- 203.1 The Board of Trustees establishes policies, budgets, rates and contracts for the administration, operation, security, and maintenance of Des Moines Water Works' property; and shall assist in the enforcement of these policies.
- 203.2 The Board of Trustees shall elect Board of Trustees officers from among its members, including a Chairperson and a Vice-Chairperson who shall each be elected for a term of two years. The Chairperson shall in consultation with the Vice-Chair and CEO and General Manager nominate persons to serve as Board officers, before each election. Said election shall normally be conducted as the last item of business at the regular monthly Board of Trustees meeting held in December in the year the terms expire. Should the office of Chairperson become vacant between elections, the Vice Chairperson shall fill the vacancy. Should the office of Vice-Chairperson become vacant between elections, the Board of Trustees shall elect a Board of Trustees member to complete the unexpired term. Unless the Board shall otherwise provide by resolution, no person shall be eligible

for election to serve a second consecutive two-year term for either the office of Chairperson or Vice-Chairperson. However, upon completion of an unexpired term, the Board of Trustees member in that office shall be eligible for election to serve one full two-year term.

203.3 The Board of Trustees shall select and appoint a Chief Executive Officer and General Manager (“CEO”) of the Des Moines Water Works and conduct an annual job performance appraisal for the CEO. The CEO shall select, appoint, and remove other officers of the Des Moines Water Works, subject to the provisions of this Board Policy Manual.

204 Membership of Board of Trustees.

204.1 The Board of Trustees shall consist of five members. Each member shall be appointed by the Mayor, subject to approval by the City Council.

204.2 A public officer or salaried employee of the City of Des Moines is not eligible to serve on the Board of Trustees.

205 Term of Office.

205.1 Each Board of Trustees member shall serve a term of six years. Terms for individual members will be staggered and shall commence after appointment upon the Board member taking his or her oath of office. A member of the Board of Trustees whose term has expired shall continue to serve until his or her successor shall be appointed and qualified.

205.2 A Board of Trustees member appointed to fill a vacancy occurring for any reason other than the expiration of a term is appointed for the balance of the unexpired term.

206 Meetings.

206.1 Regular Meetings. Regular meetings of the Board of Trustees shall be held at the Des Moines Water Works offices, located at 2201 George Flagg Parkway, Des Moines, Iowa, on the fourth Tuesday of each month, or at such other place or on such other day of each month as established by the Board of Trustees. Meetings shall begin at the time as designated by the Board of Trustees. Any changes in day, hour, or place of these meetings will be announced in advance.

206.2 Special Meetings. Special meetings of the Board of Trustees may be conducted as deemed necessary by the Board of Trustees, Chairperson, or as recommended by the CEO.

206.3 Notice of Meetings. Advance notice of the time, date, place, and location and a tentative agenda of each meeting of the Board of Trustees will be provided in a manner reasonably calculated to apprise the public and shall be given at least twenty-four hours prior to the meeting, unless an emergency exists. The staff of

the Des Moines Water Works will maintain a list of news media which have filed a request for notice, and any other person or group requesting notice, and shall notify all persons and entities on such list of each meeting.

Notice of each meeting shall also be given by posting a tentative agenda at a prominent place in the Des Moines Water Works' headquarters, which is clearly designated for that purpose and is easily accessible to the public.

- 206.4 Attendance. A record of the attendance of each Board of Trustees member will be provided annually to the City Clerk of Des Moines.
- 206.5 Open and Closed Meetings. Meetings of the Board of Trustees shall be open to the public unless otherwise authorized to be closed in accordance with state law. All actions by the Board of Trustees on any matter shall be taken in open meetings, unless a provision of the Code of Iowa expressly permits such actions to be taken in closed sessions.
- 206.6 Quorum for Meetings. A majority of the Board of Trustees shall be necessary to constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting, either until the next regular meeting or to a continuation meeting to be held at a specified time and place to the extent permitted by Chapter 21, Code of Iowa. A majority vote of those present shall be necessary to pass any motion or to take any action of the Board of Trustees.
- 206.7 Cameras and Recording Devices. The public may use cameras or recording devices at an open meeting, but only if such use does not cause interference or interruption of the meeting. To meet these objectives, cameras shall use only ambient light and recording devices shall be silent.
- 206.8 Public Comments/Participation.
- 206.8.1 Board of Trustees welcomes public comments, inquiry, or input regarding issues of public concern or interest. Such comments, inquiry, or input should be addressed to the CEO.
- 206.8.2 The Board of Trustees member acting as chair (the "Chair") shall preside over and shall govern participation by members of the public and employees at regular and special meetings of the Board of Trustees in accordance with the procedures herein set forth.
- 206.8.3 To facilitate and encourage public participation and comment, the Board of Trustees shall provide a public comment period at each regular meeting of the Board of Trustees. Such comment period shall occur before the Board of Trustees begins consideration of its regular agenda items with comments of five minutes per person allowed. Public participation and employee participation during regular and special meetings of the Board of Trustees shall also be allowed under Section 407 for employee issues, Section 501 water service rules and regulations

issues, and under Section 614 for other complaints. Public participation shall also be allowed under Section 602 governing public hearings. Public and employee participation may also be allowed at any regular or special meeting with respect to any other matter coming before the Board of Trustees, in the discretion of the Chair.

- 206.8.4 In the case of a specific issue arising under Section 407, Section 501, or Section 614 which has not been satisfactorily addressed and resolved as provided in such sections, the interested party may request to appear before the Board of Trustees by filing a written statement with the CEO stating the nature of the issue and asking for a place on the agenda. Unless a shorter period is allowed in the discretion of the CEO, such request must be submitted at least seven days before the Board of Trustees meeting at which the matter is to be considered. The administrative staff involved may also be present to discuss the matter with the Board of Trustees.
- 206.8.5 Members of the public and employees may submit written comments on any matter coming before the Board of Trustees, including, but not limited to, issues submitted under Section 407, Section 501 and Section 614, as well as matters coming before the Board for public hearing under Section 602. Written comments may be submitted either before, or during, any regular or special meeting.
- 206.8.6 Subject to the limitations provided for herein, oral comments shall be heard by the Board during a regular or special meeting with respect to matters to be considered by the Board under Section 407, Section 501, Section 614 and, with respect to public hearings, as provided in Section 602, and may be heard as to any other matter within the discretion of the Chair. Oral comments shall be made only upon recognition by the Chair of the person commenting. Unless extended by the Chair, each person so recognized shall identify themselves by name and address and shall be limited to a five minute presentation. No person present shall be entitled to yield his or her time to another person to extend the time otherwise permitted to such person. All oral comments shall be limited to matters germane to the issue being considered and shall be presented in a manner consistent with proper decorum for a public meeting. The Chair may terminate any presentation which is out of order or disruptive of the proceedings. The Chair may allow, but is not required to allow, one or more opportunities for commenters to reply to matters presented by other commenters.
- 206.8.7 The Board of Trustees shall take such action, if any, as it deems proper, with respect to any matter involving public or employee participation that is submitted to it during any regular or special meeting. Actions taken on a matter subject to public hearing shall be taken as provided in Section 602. In the case of any issue submitted under Section 407, Section 501 or Section 614, the Board may refuse to take action on the

issue. Otherwise, the Board of Trustees shall decide the matter as soon as practicable, and the CEO shall communicate the Board of Trustees' decision to the interested parties. If the Board of Trustees declines to decide such matter, the decision of the CEO shall be final. If the Board decides such matter, its decision is final.

206.9 Tentative Agenda.

206.9.1 The Tentative Agenda for each Regular Meeting of the Board of Trustees shall consist of the following:

- I Consent Agenda
- II Public Comment Period
- III Action Items
- IV Information Items
- V Any Closed Session to be Conducted
- VI Adjournment

An information presentation session may follow adjournment for the purposes of informing the Board and the public concerning matters of interest to the utility, but no action will be taken during such session.

206.9.2 The content of the Tentative Agenda for each regular meeting of the Board Trustees shall be established by the CEO with such consultation with Members of the Board as the CEO deems necessary. Any member of the Board who desires to add an item to the Board's Agenda shall submit such item to the CEO or Chairperson. The CEO or Chairperson shall place the item on the Tentative Agenda for the next regular meeting or refer the item to a Committee for a review or to staff for a recommendation before placing the item on the Tentative Agenda.

The Tentative Agenda for each meeting will generally be considered completed as of the close of business on the Thursday immediately preceding a Board meeting, but any item that arises thereafter which the CEO determines should be considered by the DMWW Board at its next meeting will require a Board member to determine that the matter is of sufficient urgency to warrant immediate Board consideration. (As a practical matter, the CEO will probably request that the Chair make this determination to allow for the most effective management of the Board meeting.) These items may be designated as "Extra" items until 3:30 pm on the day preceding the Board Meeting. An "Amended Agenda" will be issued to the Board and reposted as an "Amended Agenda" to members of the Public so as to provide no less than 24 hours' notice of the final agenda.

206.10 Consent Agenda.

206.10.1 The Consent Agenda shall consist of (i) approval of minutes, (ii) approval of financial statements and list of expenditures, including a report of CEO expenditures in excess of \$40,000, and (iii) adoption of next meeting date, together with any other matter not expected to require discussion. The Consent Agenda items shall be considered as a single item, but if the Consent Agenda is not adopted by unanimous vote, any individual items identified as not supported by unanimous vote shall be transferred for consideration as a part of the Action Agenda, with any remaining non-controversial items of the Consent Agenda adopted by single unanimous vote.

206.10.2 Order of Proceeding. Items set forth in the Proposed Agenda will be considered in the order set forth in the Proposed Agenda except to the extent the Chair determines to consider a matter out of sequence for good reason.

206.10.3 Items to Be Voted Upon. The Board will not take action or vote on any matter that is not listed on the Consent Agenda or as an Action Item unless the Board determines to suspend this rule for good reason in an exceptional circumstance.

207 Minutes and Records of Meetings.

207.1 Minutes of Open Sessions. Minutes of open meetings of the Board of Trustees shall show the date and place of such meeting, the members present, actions taken at the session, and the results of each vote taken. The minutes shall be prepared so that the vote of each Board of Trustees member may be determined. The Secretary shall act as custodian of the minutes of open meetings and shall make them available to any citizen desiring to examine them during regular office hours of the Water Works, at 2201 George Flagg Parkway, Des Moines, Iowa.

207.2 Recordings of Open Meetings. Audio recordings shall be made of each open meeting of the Board of Trustees and of each open meeting of a committee of the Board of Trustees. Video recordings shall be made of each meeting of the Board of Trustees. Such audio and video recordings shall be posted on the Water Works web site and shall be retained for one year from the date of the meeting.

207.3 Condensed Statement. The “condensed statement” of the proceedings of the Board of Trustees as required by Section 388.4(4), Code of Iowa, shall be furnished to the City library, the daily newspapers of the City, the City Clerk and to persons who apply to the office of the Secretary, 2201 George Flagg Parkway, Des Moines, Iowa, by providing the minutes of each meeting of the Board of Trustees together the full text of the financial statements and list of payments approved at such meeting. Such materials may be provided electronically. In addition, annually in February, following approval of the January Board of Trustees meeting minutes, a current listing of Des Moines Water Works’

employee salaries shall accompany the condensed statement of proceedings so provided.

207.4 Record of Closed Sessions. The Board of Trustees shall keep detailed minutes of all discussion, persons present, and action occurring at a closed session, and shall also audio record all of the closed session. The detailed minutes and audio recording of a closed session shall be sealed and shall not be public records open to public inspection. The audio recording shall be retained for one year from the date of the closed session as required by Chapter 21 of the Code of Iowa, and then shall be destroyed unless there is good cause for a longer retention of a particular recording.

207.5 Retention of Minutes. Minutes of open meetings shall be retained permanently. Minutes of closed sessions shall be retained for one year from the date of the closed session as required by Chapter 21 of the Code of Iowa , and then shall be destroyed unless there is good cause for a longer retention of a particular set of minutes.

208 Duties and Responsibilities of Board of Trustees Officers.

208.1 The Chairperson of the Board of Trustees shall preside at all meetings, and may act as a spokesperson for the Board when circumstance require public comment. The Chairperson shall also exercise powers as provided by these rules, including without limitation powers of appointment to Board Committees and Outside Organizations and execution of contracts as authorized by the Board.

208.2 The Vice Chairperson shall preside at meeting in the absence of the Chairperson. If neither the Chairperson nor the Vice-Chairperson is present at a meeting of the Board, the Secretary shall call the meeting to order, and the Board shall immediately elect a Chairperson pro tem from among its members to preside during that meeting. The office of Chairperson pro tem is terminated by the entrance of the Chairperson or Vice-Chairperson at the meeting.

208.3 The CEO of the Des Moines Water Works shall be the Board of Trustees Secretary. The Secretary shall file and retain copies of all reports made and papers transmitted concerning the business of the Board of Trustees; keep a complete record of all proceedings of the meetings of the Board of Trustees; and perform all other duties required by the Board or the law.

208.4 The Chief Financial Officer of the Des Moines Water Works shall be the Board of Trustees Treasurer. The Treasurer shall collect and receive all moneys due to the Des Moines Water Works, insure that all income is deposited into the depositories designated by the Board of Trustees and be authorized to issue payment of duly verified bills and salaries. At each regular meeting, the Treasurer shall file with the Board of Trustees a complete set of financial statements for the preceding month, including a record of all payments issued. The Treasurer shall make an annual financial report to the Board of Trustees. The Treasurer is responsible for preparation of the utility's annual budget and shall also perform all other duties

required by the Board of Trustees or the law. The Treasurer exercises the full authority of the Board of Trustees to certify unpaid rates and charges to county treasurers for the purpose of perfecting liens in accordance with the provisions of Section 384.84, Code of Iowa, and such authority extends to both liens for all of the Board's own rates and charges and to liens for joint billing and collection accounts to the extent authorized by the applicable city or city utility with which the Board has a joint billing or collection agreement.

208.5 Des Moines Water Works shall have a Chief Operating Officer. The COO shall provide oversight and technical support to operational departments. The COO will direct selected operational support functions as identified by the CEO. The COO will be responsible for facilitation of long-term planning and making report to the Board of Trustees as requested by the Board of Trustees.

209 Committees.

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

The committees of the Board of Trustees shall include:

Planning Committee
Finance and Audit Committee
Customer Relations Committee

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

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

209.3A Customer Relations Committee. The Customer Relations Committee shall consist of two appointed members and shall be responsible for review and oversight of customer-related policy; maintaining a strong relationship between the Board and wholesale or large commercial/industrial customers; working with

suburban communities and water districts to provide appropriate input and representation on matters pertaining to rate setting and capital improvements.

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

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

210 Authorization of Contracts.

210.1 The Board of Trustees shall authorize contracts necessary for the exercise of its powers and for performance of its duties. Such authorization may be general as provided this Policy Manual or general as provided by Resolution of the Board of Trustees, or may be by specific resolution of the Board of Trustees for specific contracts.

210.2 Except as otherwise provided by resolution of the Board of Trustees, contracts shall be executed on behalf of the Board of Water Works Trustees of the City of Des Moines, Iowa by the Chairperson or Vice-Chairperson and attested by CEO and Secretary, or in the case of contracts within the authority of the CEO, by the CEO, or by any person designated by the CEO to act on his or her behalf.

211 Membership in State and National Associations.

211.1 It shall be the policy of the Board of Trustees to maintain active memberships in state and national organizations supporting the water utility industry.

212 Representation of the Board on other Boards and Commissions.

212.1 The Chairperson or the Board may appoint one or more of its members, or members of its staff, to represent the Board of Trustees on the boards of other entities, boards or commissions. Such appointments shall continue in effect until further action by the Chairperson or the Board, or the resignation from such position by the person appointed. Such appointments may be reviewed at any time, but shall generally be reviewed by the Board during its regular meeting in January. Persons appointed to represent the Board of Trustees shall be deemed acting within the scope of the duties of the person with the Board or the Des Moines Water Works for the purposes of Chapter 670, Code of Iowa.

212.2 The organizations to which representatives of the Board are currently appointed include:

Central Iowa Regional Drinking Water Commission
Greater Des Moines Botanical Garden
Des Moines Water Works Park Foundation

212.3 The Board shall make appointments or removals of the Trustee, Additional Trustee, and Alternate Trustees of Des Moines Water Works to the Central Iowa Water Works (the “CIWW”) by resolution. The Board may vote on a single slate of proposed trustees, or appoint them by separate resolutions. All appointments to the CIWW Board will be for three years, or as provided by the governing documents of the CIWW. It is envisioned that no individual will serve more than two terms as a trustee of the CIWW Board.

The Board may, in its discretion, provide guidelines and set expectations to its appointees to the CIWW Board respecting the performance of their duties as representatives of the Board to CIWW and the reporting of matters pertaining to CIWW to the Board, and may revise such guidelines and expectations at any time and from time to time.

At any time, the Board may adopt a resolution removing any individual the Board has appointed as a trustee to the CIWW Board.

Roles, Responsibilities, and Expectations of Des Moines Water Works Representatives on the Central Iowa Water Works Board

Trustee and Additional Trustee

Roles:

1. Represent Des Moines Water Works (DMWW), its Board, and its stakeholders on the Central Iowa Water Works (CIWW) Board.
2. Provide oversight of CIWW's operations, finances, and planning in a manner that serves DMWW ratepayers' interests and is consistent with DMWW policy.
3. Participate in the policy-level decision-making process for CIWW on behalf of DMWW.
4. Serve as a liaison between the DMWW Board and the CIWW Board.

Responsibilities:

1. Regularly attend all CIWW Board meetings or notify the respective Alternate if unable to attend meetings or perform any other duties which the Alternate will be responsible for in the Trustee's absence.
2. Represent DMWW in all decision-making to ensure:
 - a. The financial structure of the Agreement is maintained.
 - b. Policy decisions align with DMWW policy, mission, and goals.
 - c. Decision-making balances the best interests of DMWW and CIWW.
 - d. The financial interests of DMWW, its employees, and stakeholders are protected.
 - e. Access to safe, adequate water resources is maintained for all DMWW customers.
3. Vote on CIWW Board Action Items
 - a. The Trustee and the Additional Trustee will each cast a vote on all non-weighted vote action items.
 - b. The Trustee will vote for DMWW on all weighted votes. In the absence of the Trustee, the Additional Trustee will vote for DMWW.

- c. The Trustees will discuss each matter requiring a CIWW Member Agency Vote with the DMWW Board. The DMWW Board will take action on a resolution for each of these matters pursuant to the CIWW 28E/28F Agreement. At the direction of the DMWW Board, the Trustees will cast a single written ballot provided by the CIWW Board Secretary.
- 4. Provide communication to the DMWW Board to ensure the DMWW Board is well informed on the activities of CIWW, including but not limited to:
 - a. Providing the agenda for upcoming CIWW Board meetings.
 - b. Sharing minutes of each CIWW Board meeting.
 - c. Reporting on significant discussions and decisions from recent CIWW Board meetings as an information item at each DMWW Board meeting.
 - d. Providing background and context for any required Member Agency Vote, as outlined in the CIWW 28E/F Agreement, which will require the DMWW Board to take action.
- 5. Stay informed about issues and challenges in the water sector and how they could impact CIWW operations by regularly meeting with DMWW's Technical Committee Representatives.

Expectations:

- 1. Maintain clear and regular communication with CIWW, DMWW, and the public.
- 2. Ensure that actions and decisions are made transparently.
- 3. Demonstrate leadership in addressing regional water challenges.
- 4. Uphold the highest standards of integrity and ethics in all dealings and avoid conflicts of interest.

Alternate Trustee and Alternate Additional Trustee

The Alternate Trustee and Alternate Additional Trustee shall have the same roles, responsibilities, and expectations as the Trustees in the absence of the Trustee or Alternate Trustee.

213 Compensation.

213.1 Members of the Board of Trustees serve without compensation but may be reimbursed for their expenses incurred in performance of their official duties.

214 Ethics and Conflicts of Interest.

214.1 General Statement. Members of the Board of Trustees shall adhere to the provisions of Section 362.6, Code of Iowa, regarding contracts and conflicts of interests. No Member of the Board of Trustees shall vote on any matter in which he or she has a direct or indirect conflict of interest.

214.2 Conflict of Interest – Definition. A conflict of interest arises whenever a Member of the Board of Trustees has a competing personal, financial or professional interest that impairs his or her ability to perform his or her duties impartially or that creates the appearance of competing interests. Actual or perceived conflicts of interest may arise with respect to the interests of a Member's family.

214.3 Conflict of Interest – Recognition and Management. Conflicts of interests will be recognized and managed as follows:

- (i) Each Member of the Board of Trustees shall identify the existence of any conflict of interest affecting such Member and shall refrain from voting on any matter before the Board in which a conflict of interest exists.
- (ii) Any Member of the Board may raise the existence of a conflict of interest as to any other Member and any Member may request a determination by the Board on any conflict of interest issue as to which such Member is in doubt. All such issues shall be determined by majority vote of the Board of Trustees, with the affected Member or Members entitled to vote, but no such vote shall be deemed to authorize any contract or other action in violation of Section 362.6, Code of Iowa, or any other applicable provision of law.

215 Legal Counsel.

215.1 The Board of Trustees may appoint an attorney or attorneys to represent the Des Moines Water Works and advise the Board of Trustees or the administrative staff concerning Water Works' matters.

SECTION 3
ADMINISTRATION

301 Statement of Principles.

301.1 It is the policy of the Board of Trustees to recognize and maintain the distinction between activities, which are appropriate to the Board of Trustees as the governing body of the Des Moines Water Works, and those activities, which are to be performed by the administration of the Des Moines Water Works.

301.2 It shall be the policy of the Board of Trustees to refer to administrative staff of the Des Moines Water Works those matters which do not require or involve Board of Trustees policy making, appraisal, evaluative or decision-making activities.

301.3 The administration of the Des Moines Water Works is the responsibility of the administrative staff. The staff shall be held accountable to the CEO, and the CEO in turn to the Board of Trustees. The Board of Trustees may request pertinent

information and explanation of administrative action at any time in order for the Board of Trustees to properly fulfill its policy-making functions.

301.4 All final policy making decisions shall be made by the Board of Trustees.

301.5 The Board of Trustees endorses the management team concept for conducting the business of the Des Moines Water Works. The Board of Trustees and the administrative staff shall work together in conducting the business of the Des Moines Water Works.

302 Administrative Team.

302.1 The CEO is the duly appointed chief executive officer of the Des Moines Water Works.

302.2 The CEO may appoint and head an administrative team to carry out administrative duties delegated by the Board of Trustees. The administrative team shall report to the CEO. The structure of the administrative team shall be established and modified from time to time by the CEO.

302.3 The Board of Trustees shall set the CEO's spending and contracting authority. The current spending and contracting authority of the CEO is two-tenths of one percent (.2%) of the total operating budget, rounded up to the nearest five thousand dollars, for expenses or expenditures not previously approved by the Board of Trustees. Each unbudgeted expenditure that is approved by the CEO based on this authority that exceeds \$50,000 shall be reported to the Board of Trustees at the next meeting of the Board of Trustees. The CEO may delegate spending authority to the CFO and COO. The spending authority of the CFO shall be limited to \$50,000 and the COO shall be limited to \$50,000, for expenditures not previously approved by the Board of Trustees.

302.4 The CEO shall appoint members of Des Moines Water Works Staff to serve on the CIWW Technical Committee and the CIWW Long Range Planning and Capital Improvements Committee.

303 General Powers and Duties.

303.1 The administrative staff may establish handbooks, policies, practices and procedures, based upon examination and evaluation of pertinent information, for its work and for any matters delegated to the administrative staff.

303.2 The administrative staff shall be responsible for implementing requirements of the law, and for implementing and furthering the policies of the Board of Trustees.

303.3 The Board of Trustees may amend any handbooks, policies, practices and procedures made by the administrative staff.

304 Delegation and Emergency Succession.

The CEO shall provide for the discharge of the duties of the CEO during any period when he or she is unable to discharge his or her duties and a plan for automatic succession of CEO authority if necessary in the event of an emergency or incapacitation of the CEO.

SECTION 4
EMPLOYMENT PHILOSOPHIES

401 Statement of Principles.

401.1 Compliance. It is the policy of the Board of Trustees that Des Moines Water Works comply fully with requirements of federal, state, local laws and regulations.

It is also the policy of the Board of Trustees that Des Moines Water Works conducts all employment activities without unlawful regard to race, color, creed, religion, sex, age, national origin, disability, sexual orientation, or any other basis protected by law.

401.2 Collective Bargaining Agreement. It is the policy of the Board of Trustees that the Des Moines Water Works shall adhere to the terms of any and all collective bargaining agreements between the Board of Trustees and any certified bargaining representatives of employees. To the extent that any Board of Trustees policy directly conflicts with any collective bargaining agreement, then the collective bargaining agreement shall prevail with respect to employees covered by such agreement.

401.3 Employment-At-Will. The policy of the Board of Trustees is that Des Moines Water Works maintains an employment-at-will working environment except to the extent provided to the contrary by law or contract. In compliance with this policy, employment is for no fixed term and an employee may terminate, or be terminated at any time, for any reason that is not against the law. Any deviation from this condition of employment must be in writing directed specifically to the particular employee, and signed by both the employee and an authorized person on behalf of the Board of Trustees.

401.4 Harassment Policy. It is the policy of the Board of Trustees that Des Moines Water Works employees both work in an environment which is free from unlawful harassment on any basis protected by law, and conduct themselves as employees in such a manner that they do not engage in unlawful harassment of any person, regardless of whether that person is an employee of Des Moines Water Works. The Board of Trustees expects the full and complete cooperation of all its employees in making this policy effective. The Board of Trustees considers a violation of this policy and these expectations to be a very serious offense which is not to be tolerated, and thus will subject the violator to disciplinary action up to and including discharge from employment.

402 Employee Ethics.

- 402.1 Confidentiality. The Board of Trustees requires employees of the Water Works to preserve and protect confidentiality and integrity of information relating to its customers to the extent permitted by Chapter 22 Code of Iowa and Section 388.9A, Code of Iowa.
- 402.2 Gifts. The Board of Trustees prohibits the acceptance of gifts by employees or immediate family members from vendors, customers, or any other person doing business with or wishing to do business with the Water Works.
- 402.3 Representation. As representatives of the Water Works, the Board of Trustees requires employees to conduct themselves in such a way that they will not bring disfavor or criticism upon the Water Works.
- 402.4 Use of Water Works Property. The Board of Trustees prohibits the use of Water Works property by employees for personal gain.

403 Recordkeeping.

- 403.1 Employee Records. The Board of Trustees will assure that appropriate employee records are maintained.
- 403.2 Time Record. Daily time records must be completed and maintained showing actual time that employees were on the job or on any paid leave status.
- 403.3 Personnel Files. It is the policy of the Board of Trustees that all matters relating to personnel files will be kept confidential, unless authorized for release by the employee or by law.

404 Contacts with Media.

- 404.1 All contacts with the media are to be made by the CEO or his/her designated representative only. Any telephone conversations or personal contacts from the media should be referred to the CEO's office for comment.

405 Safety.

- 405.1 Compliance. It is the policy of the Board of Trustees to take reasonable steps to ensure public safety, and provide and maintain a safe working environment that complies with all state and federal health safety standards, including state and federal OSHA standards.
- 405.2 Substance Abuse. In furtherance of its obligations to provide and maintain a safe working environment, and to seek to assure that the performance of the duties of its employees does not impair the safety of its customers and the public in general, the Board of Trustees has established a “drug free work” policy. The

Board of Trustees encourages any employee with a substance abuse problem to seek professional help.

405.3 Relieving Employees of Duties. It is the intent of the Board of Trustees that if an employee's faculties appear to be impaired on the job such that the safety or health of the individual, co-workers or a member of the public may be impacted, that employee should be relieved of duties, or other appropriate action taken, and, if appropriate, medical attention or other assistance provided.

406 Communicable/Life Threatening Disease.

406.1 It is the policy of the Board of Trustees that employees with a communicable or life threatening disease be allowed to continue to perform their regularly assigned job duties as long as current medical evidence indicates that the employee's condition does not present an on-the-job threat to themselves or others, and they remain qualified to, and do, perform their job in accordance with appropriate performance standards.

407 Problem Resolution.

407.1 It is the policy of the Board of Trustees to ensure that all employees have been fairly treated and given every opportunity to discuss their problems on the job, or other workplace concerns. Employees are urged to discuss matters of concern with their immediate supervisor, or if it involves that supervisor, with the supervisor's supervisor, and if not resolved, follow procedures outlined in the Employee Handbook or any collective bargaining agreement.

407.2 If the issue involving the employee is not resolved after the other processes for dispute resolution set forth above are exhausted, a written request to appear before the Board of Trustees may be filed by the employee with the CEO. Such issue will be then considered by the Board of Trustees as provided in Section 206.8.4.

408 Benefits/Compensation.

408.1 It is the desire of the Board of Trustees to maintain a competitive benefits and compensation program to attract and retain qualified employees.

409 Intellectual Property.

409.1 Ownership. All inventions, ideas, or work, whether patentable or not or copyrightable or not, including but not limited to, methods, know-how, formulae, compositions, processes, discoveries, machines, research projects, reports, drafts, notes of research, audits, trade secrets, software programs, hardware, documentation, drawings and designs, renderings, artwork, logos, trademarks, and descriptions, whether completed or in the process of creation, in any form whatsoever, which are conceived or made solely or jointly by any employee while employed by the Des Moines Water Works and which relate in any manner to the actual or reasonably anticipated business or operation of the utility or which is

suggested by, or results from, any task assigned to or performed by an employee on behalf of the utility shall be the sole property of the Board of Trustees.

- 409.2 Confidential Materials. Software created by, or licensed to, the Des Moines Water Works shall be kept confidential to the extent permitted by Section 22.3A, Code of Iowa. Information, which may be protected as a trade secret under Chapter 550, Code of Iowa, shall be kept confidential and shall not be considered a public record.
- 409.3 Intellectual Property Rights of Others. It is the policy of the Board of Trustees to respect the intellectual property rights of others. All employees of the Des Moines Water Works shall observe all applicable restrictions on third party rights. By way of example, it is the expectation of the Board of Trustees that all software utilized on its computer systems will be properly utilized and that the copyrights of authors in printed, computer and other publication will be observed.
- 409.4 Detailed Policies. The administrative staff shall establish detailed policies, manuals, and agreements to implement the foregoing policies.

SECTION 5 WATER SERVICE

501 Rules for Providing Water.

- 501.1 The Board of Trustees is authorized to implement rules for providing water service by Chapter 388; Division V of Chapter 384, and other pertinent sections of the Code of Iowa. Specific rules for obtaining water service from Des Moines Water Works are outlined in the utility's rules known as the "Water Service Rules and Regulations." The Water Service Rules and Regulations are adopted by the Board of Trustees and may be changed at its discretion in accordance with law.
- 501.2 Failure to conform with the Water Service Rules and Regulations may result in termination of water service. Any person aggrieved by the application of the Water Service Rules and Regulations shall be entitled to a hearing and may appeal to the Board of Trustees as provided in the Water Service Rules and Regulations. Any appeals to the Board of Trustees shall be considered by the Board of Trustees as provided in Section 206.8.

502 Statement of Principles.

- 502.1 It is the policy of the Board of Trustees, to the extent reasonably possible, to provide water service to residents, commercial establishments, and industries located in the City of Des Moines and surrounding areas.
- 502.2 It shall be the policy of the Board of Trustees to encourage improvements in the

quality of water and customer services provided through thorough study, research, and evaluation.

503 Water Quality.

503.1 The Board of Trustees shall assure the quality of the finished water delivered to customers is in compliance with national Primary Drinking Water Standards, and other aspects of the Safe Drinking Water Act and subsequent Amendments.

503.2 Water service goals for unregulated constituents may be determined by the Board of Trustees from time to time. Current goals in this category include:

National Secondary Drinking Water Standards;
Hardness - below 150 mg/l;

503.3 Unprotected cross connections to the Water Works distribution system shall not be permitted. All customers are required to prevent pollutants and contaminants from entering their potable water supply system or the Water Works distribution system.

504 Water Quantity.

504.1 It is the policy of the Board of Trustees to endeavor to cause the water treatment plant and distribution system to be maintained in a condition to provide an adequate supply of water for domestic and firefighting purposes to the service area.

504.2 It is the goal of the Board of Trustees that the water utility shall so operate that a minimum peak hour pressure of 35 psi (pounds per square inch) is maintained in all areas of the distribution system within the service area, during non-firefighting periods.

505 Water Reliability/Availability.

505.1 The Board of Trustees shall authorize staff to conduct long range planning studies, prepare reports, and make necessary improvements to ensure an adequate, reliable supply of water can be provided to meet anticipated needs of customers.

505.2 The Board of Trustees shall authorize staff to evaluate and approve/deny request for water service based on the following provisions:

505.2.1 Water service will not be extended if doing so will result in deterioration of service to existing customers.

505.2.3 Service within the City limits and in contract service areas outside of the city must be financially self-sufficient, that is, customers outside the City limits must pay, through water rates or capital contributions, or a combination of them, such amount for such services as will not result in

subsidization of them by consumers within the City limits and vice versa.

505.3 The Board of Trustees shall authorize staff to evaluate and approve/deny requests for water service within distribution service areas under control of the Board of Trustees. Any denial shall be communicated as an informational supplement in the Board of Trustees agenda packet. Any denial of service shall become final fifteen days following the next regularly scheduled Board of Trustees meeting, unless the Board of Trustees shall otherwise determine. The evaluation of water service requests shall be based on the following provisions:

505.3.1 Water service will not be extended if doing so will result in deterioration of service below established service standards.

505.3.2 Water distribution system extensions shall be financed by the users benefiting from those extensions, and shall not result in subsidization of those users by existing consumers, unless approved by the Board of Trustees.

SECTION 6 BUSINESS PROCEDURES

601 Statement of Principles.

601.1 It is the policy of the Board of Trustees to ensure its funds are used efficiently, and to hold the CEO accountable for accurate record keeping of the receipts and expenditures of its funds.

602 Public Hearings.

602.1 The Board of Trustees shall conduct a public hearing when required by law or these rules. A public hearing may also be conducted as to other matters in the discretion of the Board of Trustees. A public hearing will ordinarily be specifically authorized and scheduled by resolution of the Board of Trustees, but the CEO is delegated the authority to add a public hearing to the Board's agenda and to give notice thereof, when in the judgement of the CEO the expeditious conduct of the business of the Board so requires.

602.2 Notice of public hearings shall be given in accordance with the Code of Iowa. Notice of the subject, date, time, and place of the hearing shall be published in a newspaper published at least once weekly, having general circulation in the City, not less than four nor more than twenty days prior to the date of the hearing.

602.3 Nothing in the foregoing section shall prevent the Board of Trustees from inviting comment by the interested public on any subject at any meeting. The Board of Trustees will entertain comments from any person requesting to be heard as outlined in Section 206.8 at any public hearing.

602.4 Public hearings shall be opened by the Board of Trustees member acting as Chair. After opening the public hearing, the Chair shall invite oral comment from persons in attendance. Oral or written comment submitted prior to or during the public hearing shall be considered. Public participation during a public hearing shall be governed by Section 206.8. After written and oral submissions, if any, are completed, the public hearing shall be closed by the Board of Trustees member acting as Chair.

602.5 The Board of Trustees may take action on the subject at the time of the public hearing, after all presentations have been made, or at a later special or regular meeting of the Board of Trustees.

603 Adoption and Revision of Board of Trustees Policies.

603.1 Formulation and review of written Board of Trustees policies shall be considered as an ongoing process. The Board of Trustees will consider any request for changes in Board of Trustees policy as presented by the Board of Trustees Secretary.

604 Financial Reports.

604.1 Reports to the Public. It is the policy of the Board of Trustees to keep the public informed of the financial condition of the Des Moines Water Works and of the uses to which funds are applied.

604.1.1 Financial information is provided monthly to the City library, the daily newspaper of the City, the City Clerk and to persons who apply to the office of the Secretary, 2201 George Flagg Parkway, Des Moines, Iowa.

604.1.2 Base salaries paid to regularly employed persons are provided annually to the City library, the daily newspaper of the City, the City Clerk and to persons who apply to the office of the Secretary, 2201 George Flagg Parkway, Des Moines, Iowa.

604.1.3 Furnishing the City Council with An l audit report, including complete financial statements is provided annually to the City Council.

604.1.4 Financial statements and related information are also available online at www.dmww.com

605 Budget.

605.1 Hearing. The Board of Trustees shall establish a time and place for a public hearing on the proposed budget. Public notification of the hearing will be published in a newspaper having general circulation in the City at least once, not less than ten nor more than twenty days in advance of the hearing date. A summary of the proposed budget shall be included in the public notification. Ten days prior to the public hearing date, complete budget documents will be

available at the office of the Secretary, 2201 George Flagg Parkway, Des Moines, Iowa, for inspection by the public, and shall also be made available online at www.dmww.com.

- 605.2 Adoption. Following the public hearing, the Board of Trustees shall adopt a budget for the next calendar year and provide it in duplicate to the City Clerk for certification to the County Auditor, along with verified proof of public notification of the hearing.
- 605.3 Spending Plan. The budget adopted by the Board of Trustees shall be authority for all expenditures to be made for the calendar year covered by the budget. Staff may make purchases of tangible and intangible personal property specifically identified in the budget without further approval of the Board of Trustees. Examples of specific purchases covered by this authorization include, but are not limited to, specific types or classes of vehicles, chemicals, software, or equipment. Expenditures in excess of the delegated spending authority that were not specifically identified in the budget shall be presented to the Board of Trustees include, but are not limited to, capital projects including water main replacement projects, and purchases of tangible and intangible personal property that were not specifically authorized in the budget and exceed the delegated spending authority.

As part of the annual preparation of the budget, staff will prepare and present to the Board of Trustees at the time of budget approval a schedule of specific purchases of tangible and intangible property that staff propose to purchase in the upcoming budget year that are in excess of the delegated spending authority.

- 605.4 Amendments. Amendments to the budget to allow expenditures in excess of the adopted budget may be considered and adopted by the Board of Trustees at any time during the calendar year covered by the budget. The amendments will be filed with the Secretary to the Board of Trustees. The Board of Trustees will establish a time and place for a public hearing concerning the amendments. In conformance with the Code of Iowa, budget amendments must be prepared and adopted in the same manner as the original budget.
- 605.5 Recurring Expenses. Adoption of the budget by the Board of Trustees is authorization for payment of recurring expenses, including purchases of chemicals from approved vendors, electric and gas bills, and other similar charges.
- 605.6 Budgeting Process. For any budget item for a specific purchase of tangible or intangible personal property, prior to staff making the purchase staff must obtain competitive bid for the purchase. Documentation of these competitive bids will be maintained as supporting documentation for the expenditure and will be kept on file for at least a year following the purchase.

606.1 Annual audits of the financial statements of the Water Works shall be initiated by the Board of Trustees and received and filed each year. The selection of the accounting firm to be retained will generally be reviewed in detail every five years.

607 Depository of General Funds.

607.1 At the regular January Board of Trustees meeting, the Board of Trustees shall designate by Resolution, which shall be entered in the minutes of the Board of Trustees, the names of the financial institutions selected as the official Water Works depositories; and state the maximum amount to be kept on deposit at each institution.

607A Operating Reserves Policy.

607A.1 The objective of the operating reserve policy is to provide adequate working capital for cash flow and contingency purposes.

607A.2 DMWW will maintain an operating reserve balance equal to three months operating expenditures.

607A.3 Operating reserves are not intended to be used for ongoing operating expenditures. Operating reserves may be used for cash flow purposes, unanticipated expenditures of a non-recurring nature or to cover an unanticipated revenue shortfall. If the operating reserve balance falls below the designated level, a plan will be established to replenish reserves over a period of one to three years.

607A.4 If the operating reserve balance is to be drawn down, the CFO will notify the Finance and Audit Committee of the amount, the intended, use, and the plan to replenish the balance.

608 Investment Policy.

608.1 Scope of Investment Policy.

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

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

- 608.1.3 This Investment Policy is intended to comply with Code of Iowa, Chapter 12B.
- 608.1.4 Upon passage and upon future amendment, if any, copies of this Investment Policy shall be delivered to all of the following:
- 608.1.4.1 Board of Trustees.
 - 608.1.4.2 All depository institutions or fiduciaries for public funds of Board of Trustees.
 - 608.1.4.3 The auditor engaged to audit any fund of Board of Trustees.
- 608.1.5 In addition, a copy of this Investment Policy shall be delivered to every fiduciary or third party assisting with or facilitating investment of the funds of Board of Trustees.
- 608.2 Delegation of Authority.
- 608.2.1 In accordance with Code of Iowa, Section 12B.10(1), the responsibility for conducting investment transactions resides with the Treasurer. Only the Treasurer and those authorized by resolution may invest public funds and a copy of any empowering resolution shall be attached to this Investment Policy. All contracts or agreements with outside persons investing public funds, advising on the investment of public funds, directing the deposit or investment of public funds, or acting in a fiduciary capacity for Board of Trustees shall require the outside person to notify in writing Board of Trustees within thirty (30) days of receipt of all communication from the Auditor of the outside person or any regulatory authority of the existence of a material weakness in internal control structure of the outside person or regulatory orders or sanctions regarding the type of services being provided to Board of Trustees by the outside person.
 - 608.2.2 The records of investment transactions made by or on behalf of Board of Trustees are public records and are the property of Board of Trustees whether in the custody of Board of Trustees or in the custody of a fiduciary or other third party.
 - 608.2.3 The Treasurer shall establish a written system of internal controls and investment practices. The controls shall be designed to prevent losses of public funds, to document those officers and employees of Board of Trustees responsible for elements of the investment process and to address the capability of investment management. The controls shall provide for receipt and review of the audited financial statement and related report on internal control structure of

all outside persons performing any of the following for this public body:

608.2.3.1 Investing public funds.

608.2.3.2 Advising on the investment of public funds.

608.2.3.3 Directing the deposit or investment of public funds.

608.2.3.4 Acting in a fiduciary capacity for this public body.

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

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

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

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

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

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

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

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

- 608.5.2 Obligations of the United States government, its agencies and instrumentalities.
 - 608.5.3 Certificates of deposit and other evidences of deposit at federally insured Iowa depository institutions approved and secured pursuant to Code of Iowa, Chapter 12C.
 - 608.5.4 Repurchase agreements, provided that the underlying collateral consists of obligations of the United States government, its agencies and instrumentalities and Board of Trustees takes delivery of collateral either directly or through an authorized custodian.
 - 608.5.5 All instruments eligible for investment are further qualified by all other provisions of this Investment Policy, including 608.7 Investment Maturity Limitations and 608.8 Diversification Requirements.
- 608.6 Prohibited Investments and Investment Practices.
- 608.6.1 Funds of Board of Trustees shall not be invested in the following:
 - 608.6.1.1 Reverse repurchase agreements.
 - 608.6.1.2 Futures and options contracts.
 - 608.6.2 Funds of Board of Trustees shall not be invested pursuant to the following investment practices:
 - 608.6.2.1. Trading of securities for speculation of the realization of short-term trading gains.
 - 608.6.2.2 Pursuant to a contract providing for the compensation of an agent or fiduciary based upon the performance of the invested assets.
 - 608.6.2.3 If a fiduciary or other third party with custody of public investment transaction records of Board of Trustees fails to produce requested records when requested by this public body within a reasonable time, Board of Trustees shall make no new investments with or through the fiduciary or third party and shall not renew maturing investments with or through the fiduciary or third party.
- 608.7 Investment Maturity Limitations.
- 608.7.1 Operating funds must be identified and distinguished from all other funds available for investment. Operating funds are defined as those

funds, which are reasonably expected to be expended during a current budget year or within fifteen (15) months of receipt.

608.7.2 All investments authorized in 608.5 are further subject to the following investment maturity limitations:

608.7.2.1 Operating funds may only be invested in instruments authorized in 608.5 of this Investment Policy that mature within three hundred ninety-seven (397) days.

608.7.2.2 The Director of Finance/Treasurer may invest funds of Board of Trustees that are not identified as operating funds in investments with maturities longer than three hundred ninety-seven (397) days, but less than one thousand seven hundred twenty-six (1,726) days. However, all investments of Board of Trustees shall have maturities that are consistent with the needs and use of Board of Trustees.

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

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

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

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

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

608.9 Safekeeping and Custody.

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

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

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

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

608.12 Investment Policy Evaluation.

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

608.13 Glossary of Terms.

608.13.1 Agency: securities issued by government-sponsored corporations such as Federal Home Loan Banks or Federal Land Banks. Agency securities are exempt from Securities and Exchange Commission (SEC) registration requirements.

608.13.2 Agent: individual authorized by another person, called the principal, to act in the latter's behalf in transactions involving a third party.

- 608.13.3 Banker's Acceptance: time draft drawn on and accepted by a bank, the customary means of effecting payment for merchandise sold in import-export transactions and a source of financing used extensively in international trade.
- 608.13.4 Commercial Paper: short-term obligations with maturities ranging from 2 to 270 days issued by banks, corporations, and other borrowers to investors with temporarily idle cash. Such instruments are unsecured and usually discounted, although some are interest bearing.
- 608.13.5 Delivery Versus Payment (DVP): securities industry procedure, common with institutional accounts, whereby delivery of securities sold is made to the buying customer's bank in exchange for payment, usually in the form of cash.
- 608.13.6 Fiduciary: person, company or association holding assets in trust of a beneficiary.
- 608.13.7 Futures Contract: agreement to buy or sell a specific amount of a commodity or financial instrument at a particular price on a stipulated future date.
- 608.13.8 Open-End Management Company: investment company that sells mutual funds to the public. The term arises from the fact that the firm continually creates new shares on demand. Mutual fund shareholders buy the shares at net asset value and can redeem them at any time at the prevailing market price, which may be higher or lower than the price at which the investor bought.
- 608.13.9 Option: right to buy or sell property that is granted in exchange for an agreed-upon sum. If the right is not exercised after a specific period, the option expires and the option buyer forfeits the money.
- 608.13.10 Portfolio: combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset by an individual or institutional investor.
- 608.13.11 Repurchase Agreement: agreement between a seller and a buyer, usually of U.S. Government securities, whereby the seller agrees to repurchase the securities at an agreed-upon price, and, usually, at a stated time.
- 608.13.12 Safekeeping: storage and protection of a customer's financial assets, valuables, or documents, provided as a service by an institution serving as agent and, where control is delegated by the customer, also as custodian.

608.13.13 Speculation: assumption of risk in anticipation of gain but recognizing a higher than average possibility of loss.

609 Purchasing and Expenditure Control Policy.

609.1 The responsibility for all matters relating to budget control is vested to the CEO by the Board of Trustees.

609.2 All non-recurring expenditures in excess of CEO's spending authority must be presented to the Board of Trustees for authorization.

609.3 In an emergency situation, the procedures outlined above may be altered by the CEO with subsequent notice to the Board of Trustees, subject to compliance to the extent applicable with Section 384.103(2), Code of Iowa. Emergency situations under this rule include but are not limited to:

609.3.1 Severe Emergency Conditions as defined under Section 620;

609.3.2 A situation where property may be destroyed;

609.3.3 The possibility of substantial interruption of business exists; or,

609.3.4 Significant excess costs will otherwise be incurred because of events beyond the control of the Des Moines Water Works.

610 Ownership and Transfer of Assets.

610.1 The Board of Trustees may lease, sell, or otherwise dispose of property under the management and control of the Board of Trustees in accordance with the Code of Iowa.

610.2 The Board of Trustees may purchase or otherwise acquire property for the utility operations in accordance with the Code of Iowa and administrative procedures.

610.3 Record title to the real estate assets of the utility shall be held in the name of the "City of Des Moines, Iowa for the use and benefit of the Board of Water Works Trustees of the City of Des Moines, Iowa". Personal property may be informally titled in the name of the Des Moines Water Works, which shall be deemed to mean that title is held by the "City of Des Moines, Iowa for the use and benefit of the Board of Water Works Trustees of the City of Des Moines, Iowa".

611 Improvement Contracting Procedure.

611.1 Public Improvement Projects

6.11.1.1 When a public improvement is estimated to exceed the competitive bid threshold under Section 26.3, Code of Iowa, the Board of Trustees shall advertise for sealed bids and award a contract for the proposed construction in the

manner as provided by law. When a public improvement is estimated to be below the competitive bid threshold under Section 26.3, Code of Iowa, but in excess of the competitive quotation threshold under Section 26.14, Code of Iowa, the Board of Trustees may follow the full competitive bid process under Chapter 26, Code of Iowa, or the CEO and Board of Trustees may proceed with the competitive quotation process specified by Section 26.14, Code of Iowa. For public improvements below the competitive quotation threshold, the CEO shall have discretion to use other contracting procedures to the extent consistent with Chapter 26, Code of Iowa, and the spending authority of the CEO under these rules.

611.1.2 Notice to Bidders. When the competitive bid process applies, the Board of Trustees shall advertise for bids in the manner specified by Section 26.3, Code of Iowa by giving a Notice to Bidders conforming to the requirements of Section 26.7, Code of Iowa, which shall include the time and place for filing sealed bids, time and place the sealed bids will be opened and considered by the Board of Trustees, the general nature of the proposed construction, the general terms of when construction must be commenced and completed, the requirement for bid security, and any further information deemed pertinent by the CEO or Board of Trustees.

611.1.3 Bid Security. Each bid must be accompanied by a bid security that the successful bidder will enter into a contract for the proposed construction. The amount of the bid security shall be ten percent (10%) of the bid submitted by the bidder. If alternatives are bid by the bidder, the bid security shall be ten percent (10%) of the bidder's highest alternative.

611.1.4 Award of Contract. Before entering into any contract for a proposed public improvement estimated to exceed the competitive bid threshold, the Board of Trustees shall adopt the form of the proposed contract, plans and specifications, and estimated costs for the project and conduct a public hearing thereon. The procedures stated in Section 602 shall apply to the public hearing. The Board of Trustees reserves the right to reject all bids. The contract may be, but need not be, awarded to the low responsible bidder. The contract shall be awarded by the Board of Trustees as it deems the contract to be in the best interests of the Water Works in compliance with Chapter 26 and Subchapter III of Chapter 73A, code of Iowa.

611.1.5 Emergency Construction. These procedures need not be followed if emergency work is necessary, and authorized by Section 384.103(2), Code of Iowa. In such cases, the CEO shall subsequently, but as soon as reasonably possible, communicate to the Board of Trustees the nature and cost of the emergency construction.

611.1.6 Contracts for new facilities shall be let if the Board finds, pursuant to Section 28E.18, Code of Iowa, that no alternative suitable facilities are available for rent or sharing.

611.2 Non-Public Improvement Projects

- 611.2.1 This section only applies to construction and maintenance projects that do not meet the definition of a “Public Improvement” in Iowa Code Chapter 26.
- 611.2.2 For construction or maintenance projects where the total anticipated cost of the project exceeds the CEO’s spending authority, the Board of Trustees requires that project be competitively bid. At a minimum, Water Works staff will contact more than one qualified contractor or service provider and request a certificate of insurance; rates, fees, or charges; and qualifications of the contractor or service provider. After Water Works staff review the qualifications, charges, and insurance of the contractor or service provider, Water Works Staff will recommend to the Board of Trustees that Water Works enter into a contract with a particular contractor or service provider. The Board of Trustees will vote on whether to approve entering into a contract with the contractor or service provider.
- 611.2.3 For construction or maintenance projects where the anticipated total cost does not exceed the CEO’s spending authority, the CEO has discretion to use procedures to identify and retain contractors or service providers that are in the best interests of the Des Moines Water Works.
- 611.2.4 Contract documents, including terms and conditions, bonds, and plans and specifications, for non-public improvement projects will generally conform to the documentation utilized for public improvement projects, except where Water Works staff determines that the nature of the project indicates the best interests of the Des Moines Water Works will be better served by other forms of contract documents.
- 611.2.5 Water Works staff may deviate from the selection procedures in 611.2.2 so long as the Board of Trustees receives appropriate detailed justification, regarding the reasons for selection of a specific contractor or service provider, and the reasons for the procedure utilized by Water Works staff. The Board of Trustees may approve the selection of the contractor or service provider if the Board of Trustees determines it is in the best interest of Water Works.

612 Insurance.

- 612.1 Policy. The Water Works shall maintain a comprehensive insurance and risk management program that will provide adequate coverage. A private appraisal

agency may be retained for inventory and appraisal services to enable the Board to maintain an adequate insurance program.

612.2 Insurance Coverage. The following insurance coverages shall be maintained for the Water Works, Board of Trustees, and its employees and trustees acting within the scope of their assigned duties:

Property;
General and Automotive Comprehensive Liability;
Umbrella Liability;
Public Official and Employee Liability;
Boiler and Machinery;
Any other coverages selected from time to time by the Board of Trustees.

612.3 Workers' Compensation. The Water Works shall maintain workers' compensation coverage under the statutes of the State of Iowa or shall self insure to the extent allowed by law.

612.4 Review. The Board of Trustees shall review the insurance programs of the Water Works periodically to insure adequate coverage.

613 Record Retention.

613.1 The Board of Trustees shall ensure maintenance and periodic updates of standard record retention procedures to provide appropriate audit tracking and documentation and compliance with applicable law. All records required to be maintained by law shall be retained for at least the period required by law.

614 Complaint Procedures.

614.1 Purpose. The purpose of these complaint procedures is to resolve, at the lowest possible level and as expeditiously as possible, complaints of any person regarding any Water Works matter.

614.2 Exclusion. If there is another, more specific, complaint procedure relating to a matter, the complaint shall be brought under such procedure rather than pursuant to this policy. For example, see Section 407 for employee complaint procedures and Section 501 for complaints concerning Water Service Rules and Regulations.

614.3 Procedures.

614.3.1 Any person with a complaint regarding a Water Works matter is encouraged to first talk with the supervisor or employee involved.

614.3.2 If the complainant feels the matter is not satisfactorily resolved, the complainant may file the complaint with the CEO. The CEO or the CEO's designee shall contact the complainant to resolve the matter.

614.3.3 If the complainant feels the matter is not satisfactorily resolved after consideration by the CEO or the CEO's designee, the complainant may request to appear before the Board by filing a written complaint with the Board of Trustees Secretary. Such matter will then be considered by the Board of Trustees as provided by Section 206.8.

614.4 Interference. All investigations, handling, and processing of any complaint shall be conducted so as to result in no interference with or interruption of regular Water Works' business activities.

615 Revenue Bonds.

615.1 The Board of Trustees may authorize the issuance of revenue bonds which are payable from the revenues of the Des Moines Water Works in accordance with the statutes of the State of Iowa.

616 Economic Development.

616.1 It is the policy of the Board of Trustees to consider requests for constructions and other works, which are expected to serve potential industrial users within a particular project. Should the Board of Trustees find that the probability of success of such project is such that the costs of such works will be recovered through water rates within a reasonable period of time, then the Board of Trustees may undertake such work at its own initial costs in whole or in part. Such finding may be based in part upon a finding that the City of Des Moines or other political subdivision has committed funds under its control to the project's success.

617 Consultants.

617.1 Selection and Use of Single-Project Professional Consultants

617.1.1 For single-project professional consultant engagements where the anticipated fee exceeds the CEO's spending authority, the Board of Trustees requires that competitive proposals be solicited. This will ordinarily be accomplished by issuance of a Request for Proposals (RFP) that requires fee information to be provided by responsive bidders, or a Request for Qualifications (RFQ) with a fee and scope to be subsequently negotiated after Water Works staff review the qualifications of the responsive professional consultants. At a minimum, Water Works staff will contact more than one qualified professional consultant and request a certificate of insurance; rates, fees, or charges; and qualifications of the professional consultant. After Water Works staff review the qualifications, charges, and insurance of the professional consultant, Water Works staff will recommend to the Board of Trustees that Water Works enter into a contract with a particular professional consultant. The Board of Trustees will vote on whether to approve entering into a contract with the professional consultant.

- 617.1.2 If the anticipated cost for the single-project professional consultant is less than the CEO's spending authority then the CEO has discretion to use procedures to identify and retain single-project professional consultants that are in the best interests of the Des Moines Water Works.
 - 617.1.3 Water Works staff may deviate from the selection procedures in 617.1.1 so long as the Board of Trustees receives appropriate detailed justification, regarding the reasons for selection of a specific professional consultant, and the reasons for the procedure utilized by Water Works staff. The Board of Trustees may approve the selection of the professional consultant if the Board of Trustees determines it is in the best interest of Water Works.
 - 617.1.4 After a professional consultant is identified and retained for any phase of the project, Water Works may execute amendments to the existing agreement to obtain additional services without re-soliciting the project. Subsequent amendments may be approved by the CEO if the anticipated cost of the amendment is within the CEO's spending authority or total authorized cost for the project. If the anticipated cost of the amendment exceeds the CEO's spending authority then the Board of Trustees must approve the amendment.
- 617.2 Selection and Use of Multi-Project Professional Consultants.
- 617.2.1 For engagements with professional consultants where Water Works Staff anticipate recurring or multiple project engagements with the same professional consultant, then the Board of Trustees shall approve the use of the professional consultant before Des Moines Water Works enters into a master service agreement ("MSA") with the professional consultant.
 - 617.2.2 Multi-project professional consultant engagements will be established by a Request for Qualifications process. At a minimum, Water Works staff will contact more than one qualified professional consultant and request a certificate of insurance; rates, fees, or charges; and qualifications of the professional consultant. After Water Works staff review the qualifications, charges, and insurance of the professional consultant, Water Works staff will recommend to the Board of Trustees that Water Works enter into a contract with a particular professional consultant. The Board of Trustees will vote on whether to approve entering into a contract with the professional consultant.
 - 617.2.3 The term of the MSA will not exceed five (5) years.
 - 617.2.4 After approval of the MSA by the Board of Trustees, the CEO has discretion to approve subsequent amendments to the MSA that apply to specific projects if the total anticipated cost of the work covered by the amendment is within the CEO's spending authority. If the anticipated cost of a particular amendment exceeds the CEO's spending authority, then the amendment

must be approved by the Board of Trustees.

- 617.2.5 Multi-project professional consultant agreements may not be used for any projects where the anticipated cost of the project is over \$1,000,000.
- 617.3 Water Works staff will provide a list of all agreements signed and executed in the past 24 months in the monthly Board materials.

618 Security Procedures.

618.1 It is the policy of the Board of Trustees to protect the health and safety of Water Works' employees and facilities and its customers and guests. To that end, the Board of Trustees shall assure security measures are in place and reviewed periodically with staff. Such security measures shall include, but not be limited to, vulnerability assessments and resulting programs as required by law. Records pertaining to security matters shall be kept confidential to the full extent allowed by law.

618.2 Without limiting the generality of Section 618.1, it is the Policy of the Board of Trustees to effectuate its security policy by maintaining the following information, records and classes of records as confidential under Iowa Code Section 22.7(50) or other applicable law:

- 618.2.1 Vulnerability assessments and all records relating to the development and creation of vulnerability assessments;
- 618.2.2 All records and information pertaining to its computer and SCADA systems that, if released, would assist any person to gain unauthorized access thereto, including but not limited to system designs, system documentation, source code, object code, and passwords;
- 618.2.3 Records of the routines, practices and procedures of its security staff or security contractors;
- 618.2.4 Detailed plans and drawing of its water treatment facilities and water distribution system; and
- 618.2.5 Security plans, procedures and protocols.

619 Examination of Public Records.

619.1 Policy. It is the policy of the Board of Trustees that the Des Moines Water Works shall comply fully with the open records requirements of applicable law.

619.2 Rules and Procedures. Rules and procedures for examination and copying of public records are contained in the Des Moines Water Works Rules and Regulations.

620 Severe Emergency Conditions.

620.1 “Severe Emergency Conditions” shall include, but not be limited to, natural disasters, whether or not declared, acts of war or terrorism, and unanticipated major failures of any treatment plants, distribution systems or raw water supplies, and shall also include any contingency similar in scope and effect to the enumerated contingencies.

620.2 In the event Severe Emergency Conditions affecting the operation of utility arise that have a significant negative impact on the operation of utility, the Board may suspend application of any of these rules or any of its Rules and Regulations for Water Service (the “Affected Rules”), or may adopt temporary emergency rules that temporarily supplement or supersede the Affected Rules. Temporary emergency rules may be adopted by the Board of Trustees without notice, or if circumstances are such as to prevent the Board of Trustees from meeting, by the CEO, or, if the CEO is unable to act, by any Director appointed as part of the Administrative Team, within the scope of his or her responsibilities. Temporary emergency rules may provide for curtailment or termination of service to customers or other measures in the interest of public health, safety, and welfare.

620.3 In addition to the foregoing, and in addition to any emergency authority otherwise granted under these Rules or by law, in any emergency affecting the safety of persons or property, the CEO, or, if the CEO is unable to act, the Chief Operating Officer, shall act, at his or her discretion and without prior Board authorization, to prevent threatened damage, injury, or loss. If the cost of such work cannot be covered within the existing operating budget, the above authorized individual may use Capital Improvement Program (“CIP”) funds, and may, if necessary, postpone other work in the CIP to cover the cost of such emergency work. Notice to the Board of Trustees of any such emergency shall be provided within five (5) days of its determination, excluding weekends and holidays and shall include the corrective action taken or proposed to be taken to address the emergency.

621 Energy Policy.

Des Moines Water Works is committed to continual improvement in its energy performance by using energy in the most cost-effective, efficient, and environmentally responsible way possible. To achieve goal, it is committed to:

621.1 Improving energy performance by implementing an effective energy management system that supports all operations and customer satisfaction.

621.2 Measuring and continuously endeavoring to reduce energy consumption.

- 621.3 Purchasing energy efficient products and services.
- 621.4 Complying with applicable legal and other requirements related to energy use, consumption, and efficiency.
- 621.5 Considering energy performance in long-term planning, engineering design, and modifications to facilities, equipment, systems, and processes.
- 621.6 Providing the resources and information needed to set and achieve the energy objectives and targets with regular review.
- 621.7 Advocating for energy performance through efforts to educate, engage and raise awareness about energy performance improvement across stakeholder groups including agencies, non-governmental organizations, utilities, and policymakers.

622 Identity Theft Policy.

622.1 Background. This policy shall be known as Des Moines Water Works' ("Utility") Identity Theft Prevention Policy. The risk to the Utility, its employees and customers from data loss and identity theft is of significant concern to the Utility and can be reduced only through the combined efforts of every employee.

This policy applies to new or existing business, personal, and household accounts for which there is a reasonably foreseeable risk of identity theft, or for which there is a reasonably foreseeable risk to the safety or soundness of the utility from identity theft, including financial, operational, compliance, reputation, or litigation risks.

622.2 Purpose. The Utility adopts this sensitive information policy to help protect employees, customers, contractors, and the Utility from damages related to the loss or misuse of sensitive information. This policy will:

- a. Define sensitive information and outline policies for the security of sensitive information;
- b. Identify relevant red flags to prevent identify theft;
- c. Outline procedures to be followed when identity red theft flags are detected
- d. Assist the Utility in complying with state and federal law regarding identity theft protection.

622.3 Sensitive Information Defined. Sensitive information includes the following items whether stored in electronic or printed format:

- i. Credit card information, including
 1. Credit card number (in part or whole)
 2. Credit card expiration date
 3. Credit card CVV code
 4. Cardholder name
 5. Cardholder address

- ii. Tax identification numbers, including:
 1. Social security number
 2. Business identification number
 3. Employer identification number
- iii. Paychecks and paystubs
- iv. Cafeteria plan check requests and associated paperwork
- v. Medical information for any employee or customer, including but not limited to:
 1. Doctor names and claims
 2. Insurance claims
 3. Prescriptions
 4. Any related personal medical information

622.4 Sensitive Information Policies

- i. Customer social security numbers will not be collected by the utility as a requirement to receive water service.
- ii. When appropriate or requested by a customer, the Utility will designate a password that must be provided in order to verbally transact business related to the protected account.
- iii. Each employee and contractor performing work for the Utility will comply with the following policies:
 1. File cabinets, desk drawers, overhead cabinets, and any other storage space containing documents with sensitive information will be locked when not in use.
 2. Storage rooms containing documents with sensitive information and record retention areas will be locked at the end of each workday, or when unsupervised.
 3. Desks, workstations, work areas, printers and fax machines, and common shared work areas will be cleared of all documents containing sensitive information when not in use.
 4. Whiteboards, dry-erase boards, writing tablets, etc. containing sensitive information in common shared work areas will be erased, removed, or shredded when not in use.
 5. When documents containing sensitive information are discarded, they will be placed inside a locked shred bin or immediately shredded using a mechanical cross cut shredding device.
 6. Credit card information must be encrypted when stored in electronic format.

622.5 Identifying Relevant Red Flags to Prevent Identity Theft

The following red flags are potential indicators of fraud. Any time a red flag, or a situation closely resembling a red flag is apparent, it should be investigated for verification.

1. Alerts, notifications, or warnings from a consumer reporting agency.
2. A fraud or active duty alert included with a consumer report.
3. A notice of credit freeze from a consumer reporting agency in response to a request for a consumer report.
4. A notice of address discrepancy from a consumer reporting agency.
5. Notice of credit card chargeback from customer's financial institution.
6. Mail sent to the customer is returned repeatedly as undeliverable, although water service continues to be provided at the service address in connection with the customer's covered account.
7. The utility receives notice from customers, victims of identity theft, law enforcement authorities, or other persons regarding possible identity theft in connection with covered accounts held by the utility.
8. Suspicious documents, including but not limited to:
 - a. Documents provided for identification that appear to have been altered or forged, or give the appearance of having been destroyed and reassembled.
 - b. A photograph or physical description on the identification is not consistent with the appearance of the applicant or customer presenting the identification.
 - c. Other information on the identification is not consistent with information provided by the person opening a new covered account or customer presenting the identification.

622.5 Detection of Identity Theft Red Flags

The following procedures are aimed at detecting identity theft red flags:

1. All credit card transactions will require the use of the 3 digit CVV code and the cardholder's zip code.
2. The Utility may require photo identification and/or a lease agreement when opening an account or finaling or closing an account with an outstanding past due balance.
3. The Des Moines Water Works website will require a user login and password in order for customers to gain access to online account information.

622.6 Response to Identity Theft Red Flags

Once potentially fraudulent activity is detected, an employee must act quickly, as a rapid appropriate response can protect customers and the Utility from damages and loss. Appropriate responses may include, but are not limited to:

1. Not processing or canceling the payment.
2. Not opening a new account.

3. Closing an existing account.
4. Monitoring the account for evidence of identity theft.
5. Not attempting to collect on an account, either directly, through special assessment, or through a 3rd party debt collection agency.
6. Notifying and cooperating with appropriate law enforcement
7. Notifying the actual customer that fraud has been attempted.
8. Determining that, under the circumstances, no response is warranted.

622.7 Policy Updates

This policy and the procedures associated with its implementation, shall be updated as necessary to reflect changes in risks to customers or to the Utility from identity theft, based on factors such as the Utility's experiences with identity theft, changes in methods of identity theft, changes in methods of detection, prevention, and mitigation of identity theft, changes in the types of accounts offered by the Utility, and changes in the Utility's business arrangements, including third party service provider arrangements. Information relating to such factors shall be collected by the Customer Service Department and shall be furnished to the Board of Trustees as part of the review provided for in Section VIII below.

622.8 Policy Administration.

Staff training shall be conducted for all employees for whom it is reasonably foreseeable that they may come into contact with accounts or personally identifiable information that may constitute a risk to the Utility or its customers. The Customer Service Department shall conduct training for appropriate members of staff on at least an annual basis and shall administer this policy.

The Utility shall ensure that the activities of service providers are conducted in accordance with reasonable policies and procedures to detect, prevent, and mitigate the risk of identity theft. A service provider that maintains its own identity theft prevention program, consistent with the guidance of the "red flag" rules and validated by appropriate due diligence, may be considered to be meeting these requirements.

SECTION 7 PARKS

701 Parks.

The Des Moines Water Works makes certain designated areas of its properties available for public access, use and enjoyment. Such areas are generally known as Water Works Park and Dale Maffitt Reservoir (the "Parks") and the boundaries shall be set forth in

maps issued from time to time under the direction of the Chief Operating Officer. Access to other areas of Water Works properties is restricted. Access to, and use of, the Parks or portions thereof by the general public may be restricted from time to time for authorized special events, including but not limited to events where exclusive use may be licensed for a fee to certain portions of, or facilities within, the Parks. The Chief Operating Officer shall be responsible for all public use of the Parks.

702 Park Rules and Regulations.

The Board of Trustees has adopted, and may from time to time amend in its discretion, Rules and Regulation governing use of the Parks (“Park Rules and Regulations”) Multi-use recreational trails within the area of Water Works Park are also subject to City of Des Moines rules and regulations. Fees for special use and events are set forth in the Rules and Regulations. Such use is subject to availability and advance reservation.

703 Special Events.

Special events for groups of one hundred or more must be approved in advance by the CEO or the Supervisor of Property Management and is subject to the terms and conditions in the discretion of CEO or Supervisor of Property Management.

704 Use of the Parks.

Entry onto, and use of, the Parks is at all times subject to compliance with the Park Rules and Regulation. Park privileges may be terminated or suspended as provided herein. Terminations and suspensions hereunder shall not apply to rights of use of multi-use recreational trails, if such use does not involve entry on to any part of the Parks other than the multi-use recreational trail.

705 Trespass.

Any entry onto, or use of, the Parks in violation of an expulsion direction, suspension, or permanent exclusion under these Rules or in violation of exclusive use rights granted to any person shall be deemed a trespass, and shall be subject to civil and criminal penalties for trespass as provided by law.

706 Sanction for Violation of Park Rules and Regulations.

706.1 Primary authority for enforcement of Park Rules and Regulations is vested in members of the Des Moines Water Works Security Staff (“Security Staff Members”), subject to the direction of the Supervisor of Property Management, the Chief Operating Officer, the CEO and ultimately the Board of Water Works Trustees of the City of Des Moines, Iowa (“Board”).

706.2. Violation of Park Rules and Regulations may result in any of the following sanctions:

- (i) Any violation of Park Rules and Regulations shall be immediately terminated by the violator, and may result in one or more of the following: an informal warning, a formal warning, or an immediate expulsion from the Park. A single serious violation or a repetition of violations may result in a suspension.
- (ii) Any person expelled from the Parks shall be barred from return to the Parks for a period of twenty-four hours from the time of the expulsion.
- (iii) Repetitive violations of Park Rules and Regulations by a person or a single violation of Park Rules and Regulations deemed by a Security Staff Member to represent a significant risk or danger to the Parks, or a significant risk, danger or deprivation of use by other users of the Parks may result in a suspension of Park privileges issued by the Security Staff Member to the violator. Such suspension shall be documented by a written citation to the violator. Any person suspended shall be barred from return to the Parks until such time as the suspension is terminated by either the Supervisor of Property Management or the Chief Operating Officer upon verbal or written request by the person suspended. Any person aggrieved by such decision may appeal to the CEO. Decisions of the CEO are subject to appeal to the Board under the Board Policy Manual. The decision of the Board is final.
- (iv) Repeated violation of Park Rules and Regulations or any re-entry after expulsion or suspension in violation of these Rules may also result in permanent exclusion from the Parks. Any permanent exclusion from the Parks shall be issued in writing by the Chief Operating Officer. Reinstatement of Park Privileges after permanent exclusion shall occur if and only if granted by the CEO upon written application by the person excluded. Upon such application, the CEO may uphold the exclusion, reduce the exclusion to a suspension for a specified term or reinstate Park privileges. The decision of the CEO on such application may be appealed to Board under the Board Policy Manual. The decision of the Board is final.

SECTION 8
NAMING RIGHTS POLICY

801 Policy Established.

This Naming Rights Policy is intended to describe the current policy of the Board of Water Works Trustees of the City of Des Moines, Iowa (“Board of Trustees or “Board”) with respect to naming of facilities of the Des Moines Water Works (“DMWW”) in recognition of donors to DMWW, to the City of Des Moines, or to the Des Moines Water Works Park Foundation (“Park Foundation”), or other recognized philanthropic beneficiaries. This policy extends to all facilities and grounds under the control of the

Board of Trustees, including Water Works Park, the Dale Maffitt Reservoir and its grounds, all operational grounds and facilities, including treatment plants, water towers, and storage facilities. Significant gifts to the Des Moines Water Works offer the opportunity to recognize donors who have been instrumental in the development, implementation and success of the DMWW Park Master Plan or other objectives of DMWW. DMWW encourages private support through award of philanthropic naming rights while also showing appropriate recognition to donors for their generosity. This Naming Rights Policy provides transparency and guidance to donors, the Park Foundation Board, and the public.

802 Scope Of Policy.

The Board of Trustees establishes the following naming rights policy to provide guidance in approving philanthropic naming rights for DMWW owned or controlled property or facilities, recognizing financial and in-kind contributions by any individual, corporation or entity.

The Board of Trustees has and retains the exclusive right to name and rename its grounds and facilities at any time and for any reason, and nothing contained in this Policy shall be deemed to grant any naming rights to any third person unless and until expressly granted by the Board of Trustees by specific resolution or by authorized agreement. Without limiting the generality of the foregoing, the Board of Trustees expressly reserves the right to name any of its properties for reasons other than donor recognition, such as honoring community service or service to DMWW, and further withholds from the Park Foundation any right to make any binding commitment for naming rights that is not first approved by the Board of Trustees.

803 Definitions.

The following words will have the meaning ascribed to them in this Policy:

- A. “Civic or charitable group” shall mean a nonprofit entity, family, or group that has made a substantial contribution to the community, either through civic involvement, involvement in historic events relevant to specific DMWW property, or to the geographical location of specific DMWW property; or made a financial and/or in-kind donation to support a specific public service or DMWW property. For-profit entities of any type shall not be considered a civic or charitable group.
- B. An “individual” shall mean a person who has made a financial and/or in-kind donation to support a specific public service or DMWW property.
- C. A “corporation” shall mean an external for-profit entity which has made a financial and/or in-kind donation to support a specific DMWW service or property.
- D. A “Sponsor Group” shall mean the Park Foundation and any other philanthropic group approved by the Board of Trustees seeking to raise funds for the benefit of DMWW or its facilities.

- E. A “philanthropic naming rights” shall mean the naming of DMWW property due to a charitable contribution from an individual, civic or charitable group, or other entity or organization that is intended to enhance the community by financial and/or in-kind support for a specific public service or DMWW property.
- F. A “DMWW property” shall mean all DMWW owned or controlled real estate and facilities, including buildings, grounds, facilities, parks, features or attributes of a facility such as a bench, tree, bridge, walkway, hallway or room, or other public venue, or particular service or programming opportunities.

804 Naming Criteria.

Major naming opportunities may reflect the names of individuals, families, organizations, foundations, corporations or memorials requested by donors.

Major naming opportunities are available when a gift of monetary value as outlined in a naming right opportunity plan (previously approved by the Board) is received.

Naming recognition should enhance the reputation of DMWW and the donor and not infringe any third party rights. As applied to any approved Sponsor Group, it is the responsibility of individuals negotiating on its behalf to advise potential donors that their gift may be recognized by naming, only subject to the approval of the Board of Trustees and consistent with this naming policy. The Board of Trustees has the sole right to name or rename DMWW property or facilities. A Sponsor Group may make recommendations for naming recognition to the Board of Trustees. While the Board of Trustees is grateful for and encourages donations from all individuals, businesses and organizations, the Board of Trustees has the right to decline any gift to DMWW, or reject naming proposals, or both.

805 Process.

The process to establish philanthropic naming rights for DMWW property shall be as follows:

The Park Foundation or other Sponsor Group may develop philanthropic and honorary naming rights opportunity plans to be implemented as approved by the Board of Trustees by resolution.

In developing said plans, or in reviewing nominations for philanthropic naming rights as provided herein, the following criteria shall be complied with:

- A. Philanthropic naming rights opportunity plans shall establish an aggregate campaign goal and assign minimum contribution amounts for specific features. Factors to be considered in development of the goal shall include, but not be limited to, capital costs, annual operating and maintenance costs, and desirability and marketability of the opportunity. Each campaign goal shall be developed on a case-by-case basis.

- B. All proposed names for DMWW property shall be held in confidence during the preliminary review process to the extent allowed by law, but shall be only approved in open session of the Board of Trustees.
- C. All naming rights shall be approved for a specific term. The maximum term of any naming agreement shall be 20 years, unless otherwise established in the naming rights opportunity plan or in a donor contract approved by the Board of Trustees and the donor.
- D. All named elements are subject to review by Board of Trustees at any time, subject only to approved naming rights agreements.
- E. The Board of Trustees and Park Foundation or other Sponsor Group shall reserve the right to remove naming rights without penalty or repayment of the initial gift should either or both organizations believe removal is in the best interests of DMWW or the Sponsor Group. The Board of Trustees, the Park Foundation or other Sponsor Group will not remove naming rights unless substantial new circumstance affecting the name or the donor arise that are deemed to be detrimental to the reputation, mission or goodwill of DMWW, the Park Foundation or the Sponsor Group.
- F. In the event the Board of Trustees determines in its sole reasonable and good faith opinion that circumstances have changed such that the donor's naming rights would adversely impact the reputation, image, mission or integrity of DMWW, the DMWW CEO and General Manager, in consultation with the Board of Trustees and the Sponsor Group, may, without recourse and without any obligation to return any gifts received, exercise its right to remove the name from DMWW property.
- G. Naming rights opportunity plans shall be approved by the Board of Trustees by resolution before implementation of the plan.
- H. Naming commitments are reflections on the mission and reputation of DMWW. Accordingly, each naming commitment should be reviewed carefully for compliance with applicable laws and ethical principles.
- I. Board of Trustees shall consider the following for proposed naming opportunities: compliance with the established naming rights policy; whether the proposed name or source of donation is incompatible with the mission, objectives, and goodwill of DMWW as a water utility; whether the name is suitable to the facility and appropriate to its identification; whether the proposed name is duplicative or infringing of the names of other facilities or otherwise confusing to the public; appropriate signage; compliance with the required approval process for accepting donations; whether a donor contract is appropriate, and if so, the terms thereof; citizen input; and any other relevant factors. In addition, Board of Trustees may refuse any financial and/or in-kind donation if it is deemed to not be in the best interests of DMWW for any reason.

- J. All naming agreements must be established with a donor naming agreement that has been approved and signed by the donor and by DMWW CEO and General Manager, following approval by the Board of Trustees. The naming agreement specifies the duration; termination and modification rights; any associated annual operating and maintenance costs; and any other restrictions and governing terms.
- K. As modifications are made to DMWW grounds and facilities over time, situations may occur where it is in the best interest of DMWW to relocate, modify or reallocate a named property. In the event modifications to a named property are required or recommended, the Board of Trustees will be involved in early planning. This is to ensure that the donor's wishes are preserved as appropriate and to the extent reasonably practical. Any such modification shall be reviewed and approved by the Board of Trustees.
- L. All signage is subject to approval by the Board of Trustees, which may also condition its approval on approval by the Sponsor Group.
- M. The individual, organization, business or corporation or other entity after whom the area of the facility is named shall possess no additional rights of access to, or use of, the facility or any other preferential treatment beyond those otherwise provided to the public.

806 Limitations.

Nothing contained in this Policy shall be deemed to appoint any person affiliated with any Sponsor Group with any authority to bind the Board of Trustees or DMWW to any agreement respecting naming rights.

No grant of naming rights shall be deemed to be an endorsement, sponsorship or recommendation of the person or entity named by the Board of Trustees or DMWW.