

**MINUTES OF CALLED MEETING OF THE BOARD OF WATER WORKS TRUSTEES
PURSUANT TO NOTICE
Tuesday, January 24, 2023**

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

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

Staff members: Steve Birkestrand, Bill Blubaugh, Pat Bruner, Tom Cater, Dee Clarke, Ted Corrigan, Brad Cowman, Kyle Danley, Robert Davidson, Steve Edwards, Jeff Gillum, Doug Garnett, Mike Haines, Erika Hale, Bobby Harwell, Leah Heim, Michelle Holland, Amy Kahler, Zijad Karamuja, Lori Leo, Casey Linn, Robert Little, Mike McCurnin, Chris Mlynarik, Nihad Mrkaljevic, David Pollock, Jenny Puffer, Sam Riccelli, Dan Rule, Laura Sarcone, Obie Smith, Jennifer Terry, Alex Vizcarra, Lindsey Wanderscheid, Michelle Watson, and Dylan White

Also in attendance: Matt Butler and Rick Eilander (AFSCME Council 61), John Lande (legal counsel) and Melissa Walker (MW Media Consultants, LLC)

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

Consent Agenda

A motion was made by Mr. Gillette, seconded by Ms. Huppert, to approve Consent Items A, B, C, D, E, F and G (Approval of Minutes, December 20, 2022, Board of Water Works Trustees Meeting; Minutes, January 10, 2023, Planning Committee Meeting; Minutes, January 17, 2023 Finance and Audit Committee Meeting; Receipt and filing of the financial statements for audit purposes; Approval of Payments for December 2022; Approval of Summary of CEO-Approved Expenditures in Excess of \$20,000; Approval of Reserve Funds Investments Policy; Approval of Depositories for Des Moines Water Works Funds; and Approval of February 28, 2023, as the next meeting of the Board of Water Works Trustees). Upon vote, the motion was adopted, with each member of the Board identified as present voting in favor of the motion.

Public Comment Period

Mr. Rick Eilander with AFSCME Council 61 addressed the Board with training, safety, employee morale, and labor-management relations concerns.

Mr. Corrigan provided an update on regionalization.

Approve Proposed Board Policy Manual Revisions – Contracting and Consulting Procedures

The Engineering Department presented recommendations to improve consulting and contracting processes at the December Planning Committee meeting. At the December 2022 Board meeting it was recommended that the policy manual be edited to allow those recommendations to be implemented. A summary of the proposed changes include:

- Added a section on non-public improvements including a requirement that they must be competitively bid if they are over the CEO spending authority but need not follow the procedures set forth in Iowa Code Chapter 26.
- Edited the section on professional consultants and allowed for a Request for Qualification process when obtaining services and negotiation of scope and fee.

- Allowed for the hiring of a consultant for a project phase and then the ability to amend their agreement for the inclusion of the next phase of the project without resoliciting the project.
- Added a provision to be able to execute master service agreements, with a series of addendums executed for specific projects, with approval by the Board. Addendums for specific projects can be approved without the Board if the fee per project is within the CEO spending authority. There is a limit to a 5-year period and for projects less than \$1 million.
- Allowed for deviations from procedures with appropriate justification to the Board.

It is proposed that these revisions become effective immediately once approved by the Board at their meeting on January 24, 2023.

A motion was made by Mr. Gillette, seconded by Ms. Huppert, to approve the proposed revisions to the Board Policy Manual with an implementation date of January 24, 2023. Upon vote, the motion was adopted, with each member of the Board identified as present voting in favor of the motion.

Request Authorization for CEO and General Manager to Execute Agreement for ERP Software and Implementation Services

DMWW's existing financial system, PeopleSoft Financials, was implemented in 1999 and last upgraded in 2005. We have relied on an independent consultant to support the platform since the last upgrade. The system has come to the end of its useful life and is in need of replacement. In 2022, Finance and IT staff worked with a consultant, Abdo Financial Solutions, to assess the utility's needs related to financial data, processes and procedures, and to recommend productivity and efficiency improvements. Staff and Abdo consultants worked together to evaluate technology options and financial software providers considered to be a good fit for DMWW's needs. A Request for Proposals (RFP) was drafted and sent to 13 vendors. Proposals were received from 7 qualified vendors.

Staff reviewed the RFP responses and chose 5 vendors to provide demonstrations on their proposed solutions. Demonstrations were scored and 2 vendors were asked to provide more in-depth demonstrations on key needs from the financial system. The two finalist vendors were Oracle NetSuite for Government and Infor CloudSuite. The in-depth demonstrations and overall responses were scored for project components including technical aspects, integration considerations, implementation/conversion approach, and cost. Considering aggregate team scoring for these components, DMWW staff recommends Oracle's NetSuite for Government financial system. The implementation cost, including technical and functional services for a full implementation, is a fixed fee of \$242,000 plus estimated out-of-pocket expenses of \$36,000, for a total cost of \$278,000. This fee will be billed in arrears based on the completion of significant project milestones. The annual subscription operating cost for a term of 5 years is \$387,576 for 40-50 licenses, or \$77,515 per year.

A motion was made by Ms. Munns, seconded by Mr. Gillette, to authorize the CEO and General Manager to execute a Professional Services contract with Oracle in the amount of \$278,000 for implementation costs of Oracle NetSuite for Government, contingent upon final negotiation of terms and conditions acceptable to staff and subsequent review by legal counsel. Upon vote, the motion was adopted, with each member of the Board identified as present voting in favor of the motion.

Approve Cooperative Agreement between Des Moines Water Works and Iowa Department of Transportation for Relocation of Water Main in the Interstate 35 Polk/Story County Widening Project from North of NE 36th Street in Ankeny to North of 315th Street

As part of an interstate road widening and interchange project with the Iowa Department of Transportation (IDOT), it will be necessary to relocate water mains and hydrants that will be in conflict with the new construction at locations on NE 126th Avenue and NE 142nd Avenue. The existing 8-inch water main on these streets will require relocation to resolve conflicts with the road construction efforts. Removal of existing 8-inch water main will also be required. More than 3,000 feet of 8-inch water main will be installed. Construction of the water main relocations will be incorporated into the IDOT project to facilitate coordination and scheduling.

The engineer's cost estimate for this project is \$662,000. DMWW will reimburse the IDOT the actual cost of the water main replacement in the project. A Cooperative Agreement has been generated between DMWW and IDOT for DMWW Relocations on NE 126th Avenue and NE 142nd Avenue. The project will be let by IDOT in February 2023 with construction to be completed in late 2024 or early 2025.

A motion was made by Mr. Gillette seconded by Ms. Huppert, to approve and authorize the CEO and General Manager to execute the Iowa Department of Transportation Cooperative Agreement for Relocation of Water Main in the Interstate 35 Polk/Story County Widening Project from North of NE 36th Street in Ankeny to North of 315th Street and to authorize staff to reimburse the Iowa Department of Transportation for the actual cost of the water main replacement in the I-35 project. Upon vote, the motion was adopted, with each member of the Board identified as present voting in favor of the motion.

Request Authorization to Reimburse the City of Des Moines for Water Main Relocations for E. Court Avenue Reconstruction from Des Moines River to E. 7th Street

As part of the City of Des Moines' E. Court Avenue Reconstruction from Des Moines River to E. 7th Street project, Des Moines Water Works will install 3,200 ft. of new water main and corresponding appurtenances. The new water main will primarily be 12-inch diameter, replacing the existing water main in the project area dating from the 1890s and ranging from 4 to 10-inches in diameter. The improvements will improve system flow and eliminate an aged section of pipeline with a significant history of breaks.

The City project includes road reconstruction, utility improvements, and aesthetic improvements to the right of way. Construction of this project is anticipated to be completed in the 2023 construction season. Based upon the unit price bid for the estimated quantities for this contract, the cost for the water main portion of this City of Des Moines project is \$1,136,527. Jasper Construction Services, Inc., from Newton, IA, will be the Contractor on the project.

A motion was made by Mr. Gillette seconded by Mr. Davis, to authorize staff to reimburse the City of Des Moines for Water Main Relocations included in the E. Court Avenue Reconstruction from Des Moines River to E. 7th Street project. Upon vote, the motion was adopted, with each member of the Board identified as present voting in favor of the motion.

Request Authorization to Solicit Bids for 2023 Des Moines Water Main Replacement – Contract 1 and Establish the Date of the Public Hearing as the Date of the March 2023 Board Meeting

As part of the approved 2023 Des Moines Water Main Replacement budget, the following streets are to receive new water mains due to a history of main breaks and other service issues: SW 9th Street from Luster Lane to Burnham Avenue, SW 12th Street from Edgemont Street to Bell Avenue, and 43rd Street from Greenwood Drive to 424 43rd Street.

Preparation of plans, specifications, and contract documents for the 2023 Des Moines Water Main Replacement -Contract 1 is nearing completion. Work on Southwest 9th Street will call for the installation of approximately 2,200 feet of 12-inch Polyvinyl Chloride (PVC) water main. Southwest 12th Street will call for the installation of approximately 300 feet of 8-inch PVC water main. Work on 43rd Street will call for the installation of approximately 900 feet of 8-inch PVC water main. It is estimated that twelve lead services lines will be replaced with completion of this work. The engineer's estimate for this contract is \$1,766,000.

A motion was made by Mr. Gillette, seconded by Ms. Munns, to authorize staff to solicit bids for 2023 Des Moines Water Main Replacement - Contract 1 and establish the date of the Public Hearing as the date of the March 2023 Board meeting, and direct staff to publish notice as provided by law. Upon vote, the motion was adopted, with each member of the Board identified as present voting in favor of the motion.

Request Authorization to Solicit Bids for Maffitt East Feeder Main – Valve Vault and Establish the Date of the Public Hearing as the Date of the March 2023 Board Meeting

In April of 2021, West Des Moines Water Works (WDMWW) and Des Moines Water Works (DMWW) signed a memorandum of understanding (MOU) related to infrastructure needed to supply water from the DMWW core network to new data centers planned in West Des Moines. The MOU called for WDMWW to design and construct a metering pit and an elevated water storage tank within their system and for DMWW to design and construct, at WDMWW expense, a throttling valve facility along the Maffitt East Feeder Main.

The throttling valve facility will assure, during high demand times of the year, that water from the Fleur Drive Water Treatment Plant (FDWTP) is the prime supplier of the data center water demands. The throttling valve facility will provide, during low demand times of the year or during lower production cycles of the McMullen Water Treatment Plant (MWTP), better operation of the feeder main systems emanating from MWTP.

Stanley Consultants, Inc., has been retained by DMWW to assist with preparation of plans and specifications for the throttling valve facility that includes automated valves, piping, and control equipment. Plans and specifications for the Maffitt East Feeder Main – Valve Vault project are nearing completion. The engineer's cost estimate for the Maffitt East Feeder Main – Valve Vault project is \$850,000. This estimate is larger than the initial estimate provided in MOU document. Prior to entry into any contract, WDMWW will need to authorize any additional expenditures. Staff will facilitate any necessary discussions with WDMWW.

A motion was made by Mr. Gillette, seconded by Ms. Huppert, to authorize staff to solicit bids for the Maffitt East Feeder Main – Valve Vault project and establish the date of the Public Hearing as the date of the March 2023 Board meeting, and direct staff to publish notice as provided by law.

Upon vote, the motion was adopted, with each member of the Board identified as present voting in favor of the motion.

Request Authorization to Solicit Bids for McMullen High Service Pump Building HVAC and Roofing Upgrades and Establish the Date of the Public Hearing as the Date of the February 2023 Board Meeting

Des Moines Water Works (DMWW) commissioned the McMullen Water Treatment Plant, which is a conventional lime-softening plant, in May 2000. The existing 7.5-ton rooftop unit for their electrical room in the high service pump building cannot keep up with the heat load in the summertime, primarily due to the installation of pump variable frequency drives in more recent years.

DMWW would like to install a new larger 20-ton rooftop unit and retain the existing rooftop unit as back-up to the unit, which will increase the reliability of the HVAC system and ensure adequate cooling of the electrical space. The existing roof is ballasted and is the source of many leaks. Since roof work is required for the installation of the new rooftop unit, it makes sense to replace the roof at the same time with a fully adhered EPDM roof.

Shive Hattery is preparing plans, specifications, and contract documents for the HVAC installation and a bid alternate to replace the high service pump (HSP) building roof. The engineer's cost estimate for the new HVAC unit and roof replacement for the McMullen High Service Pump Building HVAC and Roofing Upgrades project is \$203,000.

A motion was made by Mr. Gillette, seconded by Ms. Huppert, to authorize staff to solicit bids for the McMullen High Service Pump Building HVAC and Roofing Upgrades project and establish the date of the Public Hearing as the date of the February 2023 Board meeting, and direct staff to publish notice as provided by law. Upon vote, the motion was adopted, with each member of the Board identified as present voting in favor of the motion.

Request Authorization for CEO and General Manager to Execute Agreement for Professional Services for McMullen Water Treatment Plant Chemical Feed Improvements Engineering Services

The McMullen Water Treatment Plant (MWTP) was built in 2000 and it was equipped with redundant storage and feed systems for all chemicals used in the treatment process. More than a decade ago staff abandoned the use of one of the soda ash bins and feeder equipment so that a powder activated carbon (PAC) storage and feed system could be integrated into the plant to better address taste and odor challenges. There is currently no redundancy in the PAC system and staff is prepared to abandon the remaining soda ash bin and feeder equipment to allow for redundancy in the broader PAC system. Additionally, the resident ferric chloride storage and feed equipment is in need of replacement and enhancement.

Staff developed a request for proposals (RFP) to address issues with both the PAC and ferric chloride systems. The responding firms to the RFP were McClure and AECOM Technical Services, Inc. Staff has reviewed the proposals based upon project team, firm experience, project approach, schedule, and fees. The anticipated design fee stated in McClure's proposal is \$106,670.

A motion was made by Ms. Munns, seconded by Ms. Huppert, to authorize the CEO and General Manager to execute a Professional Services Agreement with McClure in the amount of \$106,670

for design and construction services for the McMullen Water Treatment Plant Chemical Feed Improvements project contingent upon negotiation of terms and conditions that are acceptable to staff and subsequent review by legal counsel. Upon vote, the motion was adopted, with each member of the Board identified as present voting in favor of the motion.

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

Chairperson Boulton reported that she has made appointments to the following external Boards:

- Des Moines Water Works Park Foundation –Ms. Andrea Boulton, Mr. Pat Bruner; and Mr. Mike McCurnin (ex officio);
- Greater Des Moines Botanical Garden – Mr. Graham Gillette.

Chairperson Boulton reported that she has also appointed Board members to the following committees of the Board of Trustees:

- Finance and Audit Committee – Mr. Alec Davis (Chair) and Ms. Diane Munns;
- Planning Committee – Ms. Susan Huppert (Chair) and Mr. Graham Gillette

These appointments will be effective for the calendar year 2023. No action was required.

Board Committee Reports

The following reports were provided:

- Planning Committee – A meeting was held on January 10, 2023, as reflected in the minutes thereof. Ms. Boulton gave a brief summary of the meeting.
- Finance and Audit Committee – A meeting was held on January 17, 2023, as reflected in the minutes thereof. Ms. Munns gave a brief summary of the meeting.
- Stowe Foundation – Mr. Gillette asked that the Stowe Foundation be put on the February agenda to provide an update to the Board.
- Greater Des Moines Botanical Garden – Mr. Gillette shared that the Garden continues to do well and DMWW staff will be meeting with Kim Perez this spring to discuss water demand for the Garden’s upcoming expansion.
- Des Moines Water Works Park Foundation Board – Ms. Boulton reported that the Park Foundation Board is finalizing the debt repayment agreement with the City of Des Moines and strategic planning session will be held in February.

Staff Updates:

External Affairs - Ms. Terry provided a legislative update to the board and staff.

CEO and General Manager’s Comments

- 2022 Strategic Plan Review – Mr. Corrigan reported on the progress that DMWW made on its 2022 strategic initiatives.

Mr. Corrigan shared that he had an opportunity to visit with the City Council about lead service lines and met with the Mayor and Councilmembers who were interested in individual meetings.

Adjournment – Meeting adjourned by unanimous consent.

5:04 p.m. adjourned