

**MINUTES OF CALLED MEETING OF THE BOARD OF WATER WORKS TRUSTEES
PURSUANT TO NOTICE
Tuesday, January 26, 2021**

The Meeting was conducted by video conference.

Present (by Video or Audio Conference Link):

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

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

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

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

Consent Agenda –

A motion was made by Ms. Huppert, seconded by Ms. Munns, to approve Consent Items A, B, C, D, E, F, and G (Approval of Minutes, December 22, 2020, Board of Water Works Trustees Meeting; Minutes, January 5, 2021, Planning Committee Meeting; Minutes, January 5, 2021, Customer Relations Committee Meeting; Minutes, January 12, 2021, Finance and Audit Committee Meeting; Receipt and filing of the financial statements for audit purposes; Approval of Payments for November 2021; Approval of Summary of CEO-Approved Expenditures in Excess of \$20,000; Reserve Funds Investment Policy; Depositories for Des Moines Water Works Funds; and Approval of February 23, 2021, as the next meeting of the Board of Water Works Trustees). Upon roll-call vote, the motion was adopted with each member of the Board voting in favor of the motion.

Public Comment Period

No comments were received from the public.

Receive and File Cost of Service Report

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

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

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

A motion was made by Mr. Aschbrenner, and seconded by Ms. Huppert, to receive and file the Cost of Service Study. Upon roll-call vote, the motion was adopted with each member of the Board voting in favor of the motion.

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

A Public Hearing was opened by Chairperson Gillette for comments from the public regarding the form of contract, plans and specifications, and estimated cost for the 2021 Tank Painting – Pleasant Hill Tower and Wilchinski Standpipe project. Receiving no oral or written comments, the Public Hearing was closed. The Board found no suitable alternative facility was available for rent or sharing.

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

After an analysis of the bids received was presented and considered, a motion was made by Ms. Boulton, seconded by Mr. Aschbrenner, to award the 2021 Tank Painting – Pleasant Hill Tower and Wilchinski Standpipe Contract to J.R. Stelzer Co. for the Base Bids and Alternates combined, in the total amount of \$1,145,524, and authorize the Chairperson and the CEO and General Manager to execute the contract. Upon roll-call vote, the motion was adopted with each member of the Board voting in favor of the motion.

MidAmerican Energy Company Underground Gas Easement Amendment

A Public Hearing was opened by Chairperson Gillette for comments from the public regarding the execution of an easement amendment in favor of MidAmerican Energy Company (“MEC”) across DMWW real estate. Receiving no oral or written comments, the Public Hearing was closed.

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

A motion was made by Ms. Munns, seconded by Ms. Huppert to authorize the Chairperson and CEO and General Manager to execute the MidAmerican Energy Company Underground Gas Easement Amendment in the form as presented. Upon roll-call vote, the motion was adopted, with each member of the Board voting in favor of the motion.

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

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

The revised project reimbursement amount including these additional items is \$273,342.86.

A motion was made by Ms. Huppert, and seconded by Mr. Aschbrenner, to authorize staff to reimburse the City of Des Moines River Bend and King Irving Sewer Separation – Phase 2A Project in the revised amount of \$273,342.86. Upon roll-call vote, the motion was adopted with each member of the Board voting in favor of the motion.

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

The Fleur Drive Water Treatment Plant (FDWTP) Nitrate Removal Facility is housed in a building that was constructed over the top of the clearwell structure in the early 1990's. The floor of this building is comprised of structural steel spanning above the clearwell roof which forms a gap between the two structures referred to as the Nitrate Removal Facility Crawlspace.

The purpose of this project is to restore and reconstruct the crawlspace using material systems that are better suited for the aggressive crawlspace environment including steel framing protection and adhered isolation barriers. The cost estimate for this project has been established at \$609,000.

A motion was made by Mr. Aschbrenner, and seconded by Ms. Boulton, to solicit bids for the Nitrate Removal Facility Crawlspace Renovation and Establish the Date of Public Hearing as the Date of the March 2021 Board Meeting. Upon roll-call vote, the motion was adopted with each member of the Board voting in favor of the motion.

Approval of Chair's Selection of Board Members' Representation on External Boards and Committees of the Board of Trustees

Chairperson Gillette reported that he has made appointments to the following external Boards:

- Central Iowa Regional Drinking Water Commission – Mr. Graham Gillette;
- Des Moines Water Works Park Foundation –Ms. Andrea Boulton, Mr. Joel Aschbrenner; and Mr. Mike McCurnin (ex officio);
- Greater Des Moines Botanical Garden – Mr. Graham Gillette.

Chairperson Gillette reported that he has also appointed Board members to the following committees of the Board of Trustees:

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

These appointments will be effective for the calendar year 2021.No action was required.

Appointment of Treasurer to the Board of Water Works Trustees

After 25 years of service, Peggy Freese, CFO and Treasurer to the Board of Water Works Trustees, will be retiring from Des Moines Water Works on February 1, 2021. Amy Kahler will fill the position of Chief Financial Officer for the utility and therefore it is proposed that she also be appointed by the Board to the office of Treasurer to the Board of Water Works Trustees effective January 31, 2021., in accordance with Section 208.4 of the Board Policy Manual, which states that “The Chief Financial Officer of the Des Moines Water Works shall be the Board of Trustees Treasurer.”

A motion was made by Ms. Huppert, and seconded by Ms. Munns, to appoint Amy Kahler, CFO, as Treasurer to the Board of Water Works Trustees effective January 30, 2021. Upon roll-call vote, the motion was adopted with each member of the Board voting in favor of the motion.

Board Committee Reports

The following reports were provided:

- Planning Committee – A meeting was held on January 5, 2021 as reflected in the minutes thereof. Ms. Boulton offered no additional comments.
- Finance and Audit Committee – A meeting was held on January 12, 2021 as reflected in the minutes thereof. Mr. Gillette offered no additional comments.
- Customer Relations Committee – A meeting was held on January 5, 2021 as reflected in the minutes thereof. It was decided to discuss the decision-making process and governance at the February Customer Relations Committee, with the option of going into closed session.
- Bill Stowe Memorial – Mr. Gillette offered no additional comments.
- Greater Des Moines Botanical Garden – Mr. Gillette shared that a search committee has four candidates that they will interview for the Garden’s CEO position.
- Des Moines Water Works Park Foundation Board – Ms. Boulton shared that the Renaissance Group has been hired to assist with fundraising campaign and a strategic planning retreat will be held in February.

Staff Updates

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

CEO and General Manager’s Comments

- COVID-19 Response – Mr. Corrigan shared that utility operations have remained unchanged over the last several months.
- 2021 Utility Goals - Mr. Corrigan presented the 2021 Utility Goals: Treatment Expansion Evaluation, Response Plan to Lead & Copper Rule Revisions, Compete a Five-Year Organizational Strategic Plan, and Safety.

Adjournment – Meeting adjourned by unanimous consent.

5:02 p.m. adjourned