

**MINUTES OF CALLED MEETING OF THE BOARD OF WATER WORKS TRUSTEES
PURSUANT TO NOTICE
Tuesday, May 23, 2023**

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

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

Staff members: Bill Blubaugh, Pat Bruner, Nathan Casey, Ted Corrigan, Kyle Danley, Doug Garnett, Erika Hale, Joe Jones, Michelle Holland, Amy Kahler, Mike McCurnin, David Pollock, Jenny Puffer, Laura Sarcone, Lindsey Wanderscheid, Michelle Watson, and Dylan White

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

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

Consent Agenda

A motion was made by Mr. Davis, seconded by Mr. Gillette, to approve Consent Items A, B, C, D, and E (Approval of Minutes, April 25, 2023, Board of Water Works Trustees Meeting; Minutes, May 2, 2023, Finance and Audit Committee Meeting; Minutes, May 16, 2023, Planning Committee Meeting; Receipt and filing of the financial statements for audit purposes; Approval of Payments for April 2023; Approval of Summary of CEO-Approved Expenditures in Excess of \$20,000; and Approval of June 27, 2023, as the next meeting of the Board of Water Works Trustees). Upon vote, the motion was adopted, with Mr. Alec Davis, Mr. Graham Gillette, and Ms. Susan Huppert voting in favor of the motion and Ms. Andrea Boulton abstaining.

Public Comment Period

- April 25, 2023 Board Meeting Follow-Up
Mr. Corrigan shared that he, Ms. Boulton, and Mr. Gillette met with union leadership and Mr. Adam Swihart with AFSCME on May 3rd to discuss steps to address employee concerns shared at the April Board meeting. One of the first tasks is to conduct a targeted cost study for some positions in Water Distribution.
- Regional Governance
Mr. Corrigan provided an update on regionalization.

Not to Exceed \$10,599,673 Water Revenue Capital Loan Notes (State Revolving Fund Planning & Design Loan) for Drinking Water System Improvements Related to the Saylorville Water Treatment Plant Expansion – Resolution Fixing Date for a Meeting on the Proposition to Authorize a Loan and Disbursement Agreement and the Issuance of Notes to Evidence the Obligations Thereunder

The 2022 – 2027 Capital Improvement Plan includes capital expenditures for the planning and design of a 10 MGD expansion of the Saylorville Water Treatment Plant (SWTP). The SWTP expansion is required to ensure projected growth in customer demand will continue to be met with a safe, reliable, and high-quality water supply. A Preliminary Engineering Report was prepared in 2022 to identify and evaluate alternatives to increase the raw water supply and treatment capacity to meet the projected growth in demand. The raw water supply facilities will include four to six

horizontal collector wells along the Des Moines River and 18-inch and 36-inch diameter raw water transmission mains. The process for the 10 MGD water treatment expansion will be similar to the existing treatment process at SWTP.

Planning and Design (P&D) loans are available from the State Revolving Fund (SRF) at 0% interest for three years for the planning and design of drinking water system improvements. At the end of the three-year period, the planning and design costs are typically rolled into an SRF construction loan, or they can be paid using other funds.

DMWW's P&D application for these expansion and raw water supply projects has been approved by the State Revolving Fund and will next appear on the state's Intended Use Plan (IUP) project list for approval on June 20, 2023. In order to execute the Loan and Disbursement Agreement, DMWW must hold a public hearing and pass a resolution authorizing DMWW to execute the Agreement.

Board Member Graham Gillette introduced the following Resolution entitled "RESOLUTION FIXING DATE FOR A MEETING ON THE AUTHORIZATION OF A LOAN AND DISBURSEMENT AGREEMENT AND THE ISSUANCE OF NOT TO EXCEED \$10,599,673 WATER REVENUE CAPITAL LOAN NOTES OF THE CITY OF DES MOINES, STATE OF IOWA, AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF", and moved that the same be adopted. Board Member Alec Davis seconded the motion to adopt.

RESOLUTION FIXING DATE FOR A MEETING ON THE
AUTHORIZATION OF A LOAN AND DISBURSEMENT
AGREEMENT AND THE ISSUANCE OF NOT TO EXCEED
\$10,599,673 WATER REVENUE CAPITAL LOAN NOTES OF
THE CITY OF DES MOINES, STATE OF IOWA, AND
PROVIDING FOR PUBLICATION OF NOTICE THEREOF

WHEREAS, it is deemed necessary and advisable that the City of Des Moines, State of Iowa, should provide for the authorization of a Loan and Disbursement Agreement and the issuance of Water Revenue Capital Loan Notes, to the amount of not to exceed \$10,599,673, as authorized by Sections 384.24A and 384.83, of the Code of Iowa, for the purpose of providing funds to pay costs of carrying out project(s) as hereinafter described; and

WHEREAS, the Water Utility has applied for a loan through the Iowa Drinking Water Facilities Financing Program pursuant to which the Iowa Finance Authority has agreed to purchase the Notes and has requested that such Notes be issued as a single Note in a denomination equal to the total amount of the issue as authorized by Chapter 384 of the Code of Iowa; and

WHEREAS, the Loan and Disbursement Agreement and Notes shall be payable solely and only out of the Net Revenues of the Water Utility and shall be a first lien on the future Net Revenues of the Utility; and shall not be general obligations of the City or payable in any manner by taxation and the City shall be in no manner liable by reason of the failure of the Net Revenues to be sufficient for the payment of the Loan and Disbursement Agreement and Notes; and

WHEREAS, before the Loan and Disbursement Agreement and Notes may be issued, it is necessary to comply with the provisions of the Code, and to publish a notice of the proposal to issue such notes and of the time and place of the meeting at which the Board proposes to take action for the authorization of the Loan and Disbursement Agreement and Notes and to receive oral and/or written objections from any resident or property owner of the City to such action.

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

That this Board meet in the Des Moines Water Works Board Room, 2201 George Flagg Parkway, Des Moines, Iowa, at 3:30 P.M., on the 27th day of June, 2023, for the purpose of taking action on the matter of the authorization of a Loan and Disbursement Agreement and the issuance of not to exceed \$10,599,673 Water Revenue Capital Loan Notes, the proceeds of which notes will be used to provide funds to pay the costs of acquisition, construction, reconstruction, extending, remodeling, improving, repairing and equipping all or part of the Water Utility, including those costs associated with designing the Saylorville Water Treatment Plant expansion project.

That the Secretary is hereby directed to cause at least one publication to be made of a notice of the meeting, in a legal newspaper, printed wholly in the English language, published at least once weekly, and having general circulation in the City. The publication to be not less than four clear days nor more than twenty days before the date of the public meeting on the issuance of the Notes.

The notice of the proposed action to issue notes shall be in substantially the following form:

(To be published between June 7 and June 22, 2023 (dates inclusive))

NOTICE OF MEETING OF THE BOARD OF WATER WORKS
TRUSTEES OF THE CITY OF DES MOINES, STATE OF IOWA,
ON THE MATTER OF THE PROPOSED AUTHORIZATION OF A
LOAN AND DISBURSEMENT AGREEMENT AND THE
ISSUANCE OF NOT TO EXCEED \$10,599,673 WATER
REVENUE CAPITAL LOAN NOTES, AND THE HEARING ON
THE ISSUANCE THEREOF

PUBLIC NOTICE is hereby given that the Board of Water Works Trustees of the City of Des Moines, State of Iowa, will hold a public hearing on the 27th day of June, 2023, at 3:30 P.M., in the Des Moines Water Works Board Room, 2201 George Flagg Parkway, Des Moines, Iowa, at which meeting the Board proposes to take additional action for the authorization of a Loan and Disbursement Agreement by and between the City and the Iowa Finance Authority and the issuance to the Iowa Finance Authority of not to exceed \$10,599,673 Water Revenue Capital Loan Notes, to evidence the obligations under the said Loan and Disbursement Agreement, in order to provide funds to pay the costs of acquisition, construction, reconstruction, extending, remodeling, improving, repairing and equipping all or part of the Water Utility, including those costs associated with designing the Saylorville Water Treatment Plant expansion project. The Notes will not constitute general obligations or be payable in any manner by taxation, but will be payable from and secured by the Net Revenues of the Water Utility.

At the above meeting the Board shall receive oral or written objections from any resident or property owner of the City to the above action. After all objections have been received and considered, the Board will at the meeting or at any adjournment thereof, take additional action for the authorization of a Loan and Disbursement Agreement and the issuance of the Notes to evidence the obligations thereunder or will abandon the proposal to issue said Notes.

This notice is given by order of the Board of Water Works Trustees of the City of Des Moines, State of Iowa, as provided by Sections 384.24A and 384.83 of the Code of Iowa.

Dated this 23rd day of May, 2023.

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

(End of Notice)

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

AYES: Andrea Boulton, Alec Davis, Graham Gillette, and Susan Huppert

NAYS: None

Whereupon, the Chairperson declared the measure duly adopted.

Asphaltic Concrete Surface Patch Contract – 2023-2024

This contract is for providing and placing asphaltic concrete materials for street patches related to maintenance and repair activities performed by our pipeline crews for the 2023-2024 season.

A motion was made by Mr. Gillette, seconded by Mr. Davis, to award the Asphaltic Concrete Surface Patch Contract for 2023-2024 to Iowa Contracting, Inc., in the amount of \$258,000. Upon roll-call vote, the motion was adopted, with each member of the Board listed above as present voting in favor of the motion.

Concrete Contract – 2023-2024

This contract is for ready-mix concrete materials for street patches related to maintenance and repair activities performed by our pipelines crews for the 2023-2024 season.

A motion was made by Mr. Gillette, seconded by Mr. Davis, to award the 2023-2024 Concrete contract to CTI Ready Mix, in the amount of \$289,375. Upon roll-call vote, the motion was adopted, with each member of the Board listed above as present voting in favor of the motion.

Acceptance of Nitrate Removal Facility Crawlspace Renovation

Mr. Corrigan reported that all work associated with the Nitrate Removal Facility Crawlspace Renovation project has been satisfactorily completed.

A motion was made by Mr. Gillette, seconded by Mr. Davis, to accept the Nitrate Removal Facility Crawlspace Renovation project, completed by Henkel Construction Company, in the amount of \$1,622,614.39. Upon vote, the motion was adopted, with each member of the Board listed above as present voting in favor of the motion.

Acceptance of Joint Eastside Booster Station Hypochlorite Feed System

Mr. Corrigan reported that all work associated with the Joint Eastside Booster Station Hypochlorite Feed System project has been satisfactorily completed.

A motion was made by Mr. Gillette, seconded by Mr. Davis, to accept the Joint Eastside Booster Station Hypochlorite Feed System, completed by C. L. Carroll Co., Inc., in the amount of \$202,000. Upon vote, the motion was adopted, with each member of the Board listed above as present voting in favor of the motion.

Request Authorization for CEO and General Manager to Execute Agreement for Custodial Services
 Custodial services for the General Office, Grounds Buildings, Park Buildings, and the Fleur Drive Plant buildings have previously been provided by two in-house custodians with the assistance of an outside company, B & C Commercial Cleaning. Due to the retirement of one of our in-house custodians and the retirement of the owner of B & C Commercial Cleaning, new custodial services were needed.

In April of 2023, staff developed a Request for Proposals for Custodial Services with the intent to execute a new 3-year contract starting in June of 2023. The Request for Proposals was advertised on Des Moines Water Works website and sent to viable contractors who have previously showed interest in providing the service.

Four proposals were submitted on May 8th.

<u>Contractor</u>	<u>Annual Price</u>	<u>Contract Term</u>
Stratus Building Solutions	\$115,325.16	3-year
FBG Facility Services	\$140,256.00	3-year
Service Master	\$179,780.64	1-year
GS Solutions	\$542,880.00	3-year

The proposals were reviewed by staff most likely to interact with the cleaning service. Evaluations were based on experience, qualifications, and expertise along with references and cost of service. All members of the selection committee scored the same proposer the highest. The total points possible was 100. The average points awarded by the reviewers are summarized below:

Average Total Points Awarded

FBG	Stratus	Service Master	GS
90	88	67	51

Based on the ratings completed by a selection committee, FBG Facility Services received the highest score of the four contractors. As part of the review process, references were contacted. FBG references were very satisfied with the work completed.

A motion was made by Mr. Gillette, seconded by Mr. Davis, to authorize the CEO and General Manager to execute an agreement with FBG Facility Services, in the amount of \$140,256.00 per year for Custodial Services from June 2023 to June 2026. Upon vote, the motion was adopted, with each member of the Board listed above as present voting in favor of the motion.

Request Authorization to Issue a Purchase Order for New Backhoe

The Water Distribution Department operates four backhoes used for excavating and other work related to maintaining the water distribution system. Typically, these backhoes are replaced when they reach 10,000 hours of operation. When the 2023 budget was developed, one backhoe was nearing the 10,000-hour replacement mark. For this reason, the approved 2023 budget only included one backhoe. Following discussion with Water Distribution, staff is recommending replacement of a second backhoe in 2023.

The purchase price for a new 2023 John Deere 320P HL Rubber Tired Backhoe Loader is \$135,230. With an additional cost of \$11,370 for the standard 5-year backhoe warranty, the total purchase price is \$146,600. The trade-in price for the old backhoe is \$20,000, reducing the total

cost of the new backhoe to \$126,600. The lead time for delivery of the new backhoe is approximately 6 months.

A motion was made by Mr. Gillette seconded by Mr. Davis, to authorize staff to issue a Purchase Order to Murphy Tractor & Equipment Co., in the amount of \$126,600, for a new Backhoe. Upon vote, the motion was adopted, with each member of the Board listed above as present voting in favor of the motion.

Acceptance of 2023 Treatment Basin No. 1 Rechaining

Mr. Corrigan reported that all work associated with the 2023 Treatment Basin No. 1 Rechaining project has been satisfactorily completed.

A motion was made by Mr. Gillette, seconded by Mr. Davis, to accept the 2023 Treatment Basin No. 1 Rechaining Contract completed by The Waldinger Corporation in the amount of \$239,200. Upon vote, the motion was adopted, with each member of the Board listed above as present voting in favor of the motion.

Board Committee Reports

The following reports were provided:

- Finance and Audit Committee – A meeting was held on May 2, 2023, as reflected in the minutes thereof. Mr. Davis gave a brief summary of the meeting.
- Planning Committee – A meeting was held on May 16, 2023, as reflected in the minutes thereof. Ms. Huppert gave a brief summary of the meeting.
- Stowe Foundation – Mr. Gillette had no update to share.
- Greater Des Moines Botanical Garden – Mr. Gillette had no update to share.
- Des Moines Water Works Park Foundation Board – Ms. Boulton reported that a lot of the Foundation's focus is on RAGBRAI and the 2023 Summer Concert series.

CEO and General Manager's Comments

Mr. Corrigan shared that staff is continuing to assess the turf damage that occurred during the Trump rally setup and nitrate levels are fluctuating in the Raccoon River due to recent rains with numbers exceeding 10ppm to the north.

Safety Update

Mr. Corrigan highlighted the Safety Update included in the materials that supplements the injury count shared on the meeting agenda and includes data on safety training.

4:17 p.m. adjourned