

**MINUTES OF CALLED MEETING OF THE BOARD OF WATER WORKS TRUSTEES
PURSUANT TO NOTICE
Tuesday, June 27, 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: Bill Blubaugh, Pat Bruner, Caitlin Caldwell, Nathan Casey, Ted Corrigan, Kyle Danley, Doug Garnett, Donna Heckman, Michelle Holland, Mike McCurnin, Laura Sarcone, Melissa Walker, and Michelle Watson

Also in attendance: John Lande (legal counsel)

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

Consent Agenda

A motion was made by Mr. Gillette, seconded by Mr. Davis, to approve Consent Items A, B, C, D, and E (Approval of Minutes, May 23, 2023, Board of Water Works Trustees Meeting; Minutes, June 6, 2023, Finance and Audit Committee Meeting; Minutes, June 13, 2023, Planning Committee Meeting; Receipt and filing of the financial statements for audit purposes; Approval of Payments for May 2023; Approval of Summary of CEO-Approved Expenditures in Excess of \$20,000; and Approval of July 25, 2023, as the next meeting of the Board of Water Works Trustees). Upon vote, the motion was adopted, with each member of the Board voting in favor of the motion.

Public Comment Period

- Chair Update
Ms. Boulton complimented staff on executing the numerous responsibilities of the utility. She also shared the various meetings she has been having as the Board Chair with staff, Board members, and legal counsel.

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

Receive and File 2022 Audit Reports

DMWW's audit firm, RSM US LLP, has completed its audits of our financial statements for the year ended December 31, 2022. In addition to audit of DMWW's financial statements, the audits also included reports on collection of charges made on behalf the City of Des Moines for sewer, solid waste and storm water. Such charges are billed and collected by DMWW and are remitted to the City. RSM has issued an unqualified or "clean opinion" on all financial statements.

A motion was made by Mr. Gillette, and seconded by Ms. Huppert, to receive and file the 2022 Financial Audit Reports and distribute reports to the appropriate agencies. Upon vote, the motion was adopted, with each member of the Board voting in favor of the motion.

Receive and File 2024-2028 Five-Year Capital Improvement Plan

The 2024-2028 Five-Year Capital Improvement Plan (CIP) was received. This information will be used to develop capital budgets that will be presented to the Board for action in future years.

A motion was made by Ms. Munns, and seconded by Mr. Gillette, to receive and file the 2024-2028 Five-Year Capital Improvement Plan as presented. Upon vote, the motion was adopted, with each member of the Board voting in favor of the motion.

Not to Exceed \$10,599,673 Water Revenue Capital Loan Notes

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 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 treatment 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. At the May Board meeting, the Board of Trustees set the date for the public hearing as the June Board meeting. Notice of this public meeting was published, as required by law, in the Des Moines Register on June 14, 2023.

Board Member Graham Gillette introduced the following Resolution and moved the same be adopted. Board Member Susan Huppert seconded the motion to adopt the following Resolution:

RESOLUTION INSTITUTING PROCEEDINGS TO TAKE ADDITIONAL ACTION FOR THE AUTHORIZATION OF A LOAN AND DISBURSEMENT AGREEMENT AND THE ISSUANCE OF NOT TO EXCEED \$10,599,673 WATER REVENUE CAPITAL LOAN NOTES

WHEREAS, pursuant to notice published as required by law, the Board has held a public meeting and hearing upon the proposal to institute proceedings for the authorization of a Loan and Disbursement Agreement by and between the Issuer 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, and has considered the extent of objections received from residents or property owners as to the proposed issuance of Notes; and accordingly the following action is now considered to be in the best interests of the City and residents thereof.

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

Section 1. That this Board does hereby institute proceedings and take additional action for the authorization of a Loan and Disbursement Agreement by and between the Issuer and the Iowa Finance Authority and the issuance to the Iowa Finance Authority in the manner required by law of not to exceed \$10,599,673 Water Revenue Capital Loan Notes, for the foregoing purposes.

Section 2. That this Board does hereby consent to the terms and conditions of the DWSRF Loan Program, which terms and conditions and the disclosures provided with respect thereto are hereby acknowledged, accepted and approved.

Section 3. This Resolution shall serve as a declaration of official intent under Treasury Regulation 1.150-2 and shall be maintained on file as a public record of such intent. It is reasonably expected that the water fund moneys may be advanced from time to time for capital expenditures which are to be paid from the proceeds of the above Notes. The amounts so advanced shall be reimbursed from the proceeds of the Notes not later than eighteen months after the initial payment of the capital expenditures or eighteen months after the property is placed in service. Such advancements shall not exceed the amount authorized in this Resolution unless the same are for preliminary expenditures or unless another declaration of intention is adopted.

Section 4. That the Secretary, with the assistance of bond counsel, is hereby authorized and directed to proceed with the preparation of such documents and proceedings as shall be necessary to authorize the Issuer participation in the DWSRF Loan Program, to select a suitable date for final Board authorization of the required Loan and Disbursement Agreement and issuance of the Note to evidence the Issuer's obligations thereunder, and to take such other actions as the Board shall deem necessary to permit the completion of a loan on a basis favorable to the Issuer and acceptable to this Board.

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

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

NAYS: None

Whereupon, the Chairperson declared the measure duly adopted.

Board Member Graham Gillette then introduced the following Resolution and moved the same be adopted. Board Member Diane Munns seconded the motion to adopt the following Resolution:

A RESOLUTION APPROVING AND AUTHORIZING A FORM OF INTERIM LOAN AND DISBURSEMENT AGREEMENT, AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE

AND SECURING THE PAYMENT OF \$10,599,673 WATER REVENUE CAPITAL LOAN NOTES ANTICIPATION PROJECT NOTE, SERIES 2023, UNDER THE PROVISIONS OF THE CODE OF IOWA, AND PROVIDING FOR A METHOD OF PAYMENT OF SAID NOTE

WHEREAS, the City of Des Moines, acting through its Board of Water Works Trustees, (hereafter the "Issuer"), proposes to issue its Water Revenue Capital Loan Notes Anticipation Project Note, Series 2023, to the extent of \$10,599,673, for the purpose of defraying the costs of the Project hereinafter described; and, it is deemed necessary and advisable and in the best interests of the Issuer that a form of Interim Loan and Disbursement Agreement by and between the Issuer and the Iowa Finance Authority be approved and authorized; and

WHEREAS, the notice of intention of Issuer to take action for the issuance of \$10,599,673 Water Revenue Capital Loan Notes has heretofore been duly published and no objections to such proposed action have been filed.

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

Section 1. Definitions. The following terms shall have the following meanings in this Resolution unless the text expressly or by necessary implication requires otherwise:

- ◆ "Additional Project Notes" shall mean any project notes or other obligations issued on a parity with the Note in accordance with the provisions of Section 11 hereof;
- ◆ "Agreement" shall mean an Interim Loan and Disbursement Agreement dated as of the Closing between and among the Issuer and the Original Purchaser, relating to the Interim Loan made to the Issuer under the Program;
- ◆ "Closing" shall mean the date of delivery of the Note to the Original Purchaser and the funding of the Interim Loan;
- ◆ "Fiscal Year" shall mean the twelve months' period beginning on January 1 of each year and ending on the last day of June of the following year, or any other consecutive twelve-month period adopted by the Governing Body or by law as the official accounting period of the System; provided, that the requirements of a fiscal year as expressed in this Resolution shall exclude any payment of principal or interest falling due on the first day of the fiscal year and include any payment of principal or interest falling due on the first day of the succeeding fiscal year;
- ◆ "Governing Body" and "Board" shall mean the Board of Water Works Trustees of the City of Des Moines, or its successor in function with respect to the operation and control of the System;

- ◆ "Interim Loan" shall mean the principal amount allocated by the Original Purchaser and loaned to the Issuer under the Program, equal in amount to the principal amount of the Note;
- ◆ "Issuer" shall mean the City of Des Moines, Iowa, acting through its Board of Water Works Trustees;
- ◆ "Note" shall mean \$10,599,673 Water Revenue Capital Loan Notes Anticipation Project Note, Series 2023, authorized to be issued by this Resolution;
- ◆ "Original Purchaser" shall mean the Iowa Finance Authority, as the purchaser of the Note from Issuer at the time of its original issuance;
- ◆ "Paying Agent" shall be the Secretary, or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein as Issuer's agent to provide for the payment of principal of and interest on the Notes as the same shall become due;
- ◆ "Permitted Investments" shall mean any investments permitted in Iowa Code chapter 12B or section 12C.9. All interim investments must mature before the date on which the moneys are required for payment of principal and interest on the Notes or project costs;
- ◆ "Program" shall mean the Iowa Drinking Water Facilities Financing Program undertaken by the Original Purchaser;
- ◆ "Project" shall mean 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;
- ◆ "Project Costs" shall mean all engineering fees, archeological surveys, environmental studies, and fees related to a project plan preparation and submission, and other expenses incidental thereto, and also including the costs of issuance of the Note;
- ◆ "Project Fund" shall mean the Project Fund established by Section 6 of this Resolution;
- ◆ "Registrar" shall be the Secretary, or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein with respect to maintaining a register of the owners of the Note. Unless otherwise specified, the Registrar shall also act as Transfer Agent for the Note;
- ◆ "Secretary" shall mean the Secretary of the Board of Water Works Trustees of Des Moines, Iowa or such other officer of the successor Governing Body as shall be charged with substantially the same duties and responsibilities;

◆ "System" shall mean the municipal water utility of the Issuer and all properties of every nature hereinafter owned by the Issuer comprising part of or used as a part of the System, including all water treatment facilities, storage facilities, pumping stations and all related property and improvements and extensions made by Issuer while the Note remains outstanding; all real and personal property; and all appurtenances, contracts, leases, franchises and other intangibles.

Section 2. Authority. The Agreement and the Note authorized by this Resolution shall be issued pursuant to Section 76.13 of the Code of Iowa, and in compliance with all applicable provisions of the Constitution and laws of the State of Iowa. The Agreement shall be substantially in the form attached to this Resolution and is authorized to be executed and issued on behalf of the Issuer by the Chairperson and attested by the Secretary.

Section 3. Note Details, Execution, Redemption and Registration.

a. Note Details. The Note shall be designated a Water Revenue Capital Loan Notes Anticipation Project Note, be dated the date of delivery, and shall at the request of the Original Purchaser be initially issued as a single Note in the denomination of \$10,599,673 and numbered R-1. The Note shall not bear interest (0%), and shall mature three years from issuance. The Board hereby finds and determines that it is necessary and advisable to issue said Note pursuant to Section 76.13 of the Code of Iowa, as authorized by the Agreement and this Resolution.

b. Execution. The Note shall be executed by the manual or facsimile signature of the Chairperson and attested by the manual or facsimile signature of the Secretary, and impressed or imprinted with the seal of the Issuer and shall be fully registered as to both principal and interest as provided in this Resolution; principal, interest and premium, if any, shall be payable at the office of the Paying Agent by mailing of a check, wire transfer or automated clearing house system transfer to the registered owner of the Note.

c. Redemption. The Note may be called for redemption by the Issuer and paid before maturity on any date, from any funds regardless of source, in whole or from time to time in part, in order of maturity and within an annual maturity by lot.

Notice of redemption shall be given by U.S. mail to the Original Purchaser (or any other registered owner of the Note). The terms of redemption shall be par, plus accrued interest to date of call. Failure to give such notice by mail to any registered owner or any defect therein shall not affect the validity of any proceedings for the redemption of the Note. The Note is also subject to mandatory redemption to the extent not fully drawn upon.

d. Registration. The Note may be registered as to principal and interest on the books of the Registrar in the name of the holder and such registration noted on the Note after which no transfer shall be valid until the making of an entry upon the books kept for the registration and transfer of ownership of the Note, and in no other way. The Secretary is hereby appointed as Registrar under the terms of this Resolution. Registrar shall maintain the books of the Issuer for the registration of ownership of the Note for the payment of principal of and interest on the Note as

provided in this Resolution. The Note shall be negotiable as provided in Article 8 of the Uniform Commercial Code subject to the provisions for registration and transfer contained in the Note and in this Resolution.

The ownership of any Note may be transferred only upon the Registration Books kept for the registration and transfer of the Note and only upon surrender thereof at the office of the Registrar together with an assignment duly executed by the holder or his duly authorized attorney in fact in such form as shall be satisfactory to the Registrar, along with the address and social security number or federal employer identification number of such transferee (or, if registration is to be made in the name of multiple individuals, of all such transferees). In the event that the address of the registered owner of a Note (other than a registered owner which is the nominee of the broker or dealer in question) is that of a broker or dealer, there must be disclosed on the Registration Books the information pertaining to the registered owner required above. Upon the transfer of any such Note, a new fully registered Note, of any denomination or denominations permitted by this Resolution in aggregate principal amount equal to the unmatured and unredeemed principal amount of such transferred fully registered Note, and bearing interest at the same rate and maturing on the same date or dates shall be delivered by the Registrar.

In all cases of the transfer of the Note, the Registrar shall register, at the earliest practicable time, on the Registration Books, the Note, in accordance with the provisions of this Resolution.

As to any Note, the person in whose name the ownership of the same shall be registered on the Registration Books of the Registrar shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Note and the premium, if any, and interest thereon shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note, including the interest thereon, to the extent of the sum or sums so paid.

A Note which has been redeemed shall not be reissued but shall be cancelled by the Registrar. A Note which is cancelled by the Registrar shall be destroyed and a Certificate of the destruction thereof shall be furnished promptly to the Issuer; provided that if the Issuer shall so direct, the Registrar shall forward the cancelled Note to the Issuer.

In the event any payment check representing payment of principal of or interest on the Note is returned to the Paying Agent or if any note is not presented for payment of principal at the maturity or redemption date, if funds sufficient to pay such principal of or interest on Note shall have been made available to the Paying Agent for the benefit of the owner thereof, all liability of the Issuer to the owner thereof for such interest or payment of such Note shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the owner of such Note who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Resolution or on, or with respect to, such

interest or Note. The Paying Agent's obligation to hold such funds shall continue for a period equal to two years and six months following the date on which such interest or principal became due, whether at maturity, or at the date fixed for redemption thereof, or otherwise, at which time the Paying Agent shall surrender any remaining funds so held to the Issuer, whereupon any claim under this Resolution by the Owners of such interest or Notes of whatever nature shall be made upon the Issuer.

Section 4. Form of Note. The form of Note shall be substantially as follows:

REGISTERED
No. R-1

REGISTERED
\$10,599,673

UNITED STATES OF AMERICA
STATE OF IOWA
COUNTY OF POLK
CITY OF DES MOINES, IOWA
WATER REVENUE CAPITAL LOAN NOTES
ANTICIPATION PROJECT NOTE
SERIES 2023

| <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Dated Date</u> |
|----------------------|----------------------|-------------------|
| 0.00% | July 14, 2026 | July 14, 2023 |

The City of Des Moines, Iowa, acting through its Board of Water Works Trustees, a municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of Iowa (the "Issuer"), for value received, promises to pay from the source and as hereinafter provided, to

IOWA FINANCE AUTHORITY

or registered assigns, the principal sum of TEN MILLION FIVE HUNDRED NINETY-NINE THOUSAND SIX HUNDRED SEVENTY-THREE DOLLARS in lawful money of the United States of America, at maturity on July 14, 2026, without interest (0%). Payment of this Note shall at all times conform to the rules of the Iowa Drinking Water Facilities Financing Program. Issuer pledges the Project Fund to which there has been appropriated the anticipated receipts of certain funds held or to be received by the Issuer as well as the proceeds of certain Capital Loan Notes to be issued.

This Note is payable solely from said Project Fund.

This Note is issued pursuant to an Interim Loan and Disbursement Agreement and the Resolution, duly adopted and under and in substantial compliance with the Constitution and statutes of the state of Iowa, including specifically Section 76.13 of the Code of Iowa, as amended, for the purpose of defraying part of the cost of acquiring the Project. For a complete statement of the revenues and funds from which, and the conditions, under which this Note is payable, a statement of conditions under which additional notes of equal standing may hereafter be issued, and the general covenants and provisions pursuant to which this Note is issued, reference is made to the above described Resolution and Interim Loan and Disbursement Agreement. This Note is not payable in any manner by taxation and under no circumstances shall the Issuer be in any manner liable by reason of the failure of said Project Fund to be sufficient for the payment hereof.

The Note may be called for redemption by the Issuer and paid before maturity on any date, from any funds regardless of source, in whole or from time to time in part, in order of maturity and within an annual maturity by lot.

Notice of redemption shall be given by ordinary mail to the Original Purchaser (or any other registered owner of the Note). The terms of redemption shall be par, plus accrued interest to date of

call. Failure to give such notice by mail to any registered owner or any defect therein shall not affect the validity of any proceedings for the redemption of the Note. The Note is also subject to mandatory redemption to the extent not fully drawn upon.

If selection by lot within a maturity is required, the Registrar shall designate the Notes to be redeemed by random selection of the names of the registered owners of the entire annual maturity until the total amount of Notes to be called has been reached.

The Note may be registered as to principal and interest on the books of the Secretary in the name of the holder after which no transfer shall be valid until the making of an entry upon the books kept for the registration and transfer of ownership of the Note, and in no other way. Registrar shall maintain the books of the Issuer for the registration of ownership of the Note for the payment of principal of and interest on the Note as provided in the Resolution.

Ownership of this Note may be transferred only by transfer upon the books kept for such purpose by the Secretary, the Registrar. Such transfer on the books shall occur only upon presentation and surrender of this Note at the office of the Registrar, together with an assignment duly executed by the owner hereof or his duly authorized attorney in the form as shall be satisfactory to the Registrar. Issuer reserves the right to substitute the Registrar and Paying Agent but shall, however, promptly give notice to registered Noteholders of such change. All Notes shall be negotiable as provided in Article 8 of the Uniform Commercial Code and subject to the provisions for registration and transfer contained in the Resolution.

And it is hereby represented and certified that all acts, conditions and things requisite, according to the laws and Constitution of the State of Iowa, to exist, to be had, to be done, or to be performed precedent to the lawful issue of this Note, have been existent, had, done and performed as required by law.

IN TESTIMONY WHEREOF, said Issuer by its Board of Water Works Trustees has caused this Note to be signed by the manual or facsimile signature of its Chairperson of the Board of Water Works Trustees and attested by the manual or facsimile signature of its Secretary of the Board of Water Works Trustees, with the seal of said City impressed or imprinted hereon, and authenticated by the manual signature of an authorized representative of the Registrar, the Secretary of the Board of Water Works Trustee of Des Moines, Iowa, all as of the 14th day of July, 2023.

Date of authentication: July 14, 2023

BOARD OF WATER WORKS TRUSTEES OF DES MOINES, STATE OF IOWA

This is one of the Notes described in the within mentioned Resolution, as registered by the Secretary

By: _____
Chairperson

SECRETARY

ATTEST:

By: _____
Registrar

By: _____
Secretary

(SEAL)

Registrar and Transfer Agent: Secretary
Paying Agent: Secretary

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ (Social Security or Tax Identification No. _____) the within Note and does hereby irrevocably constitute and appoint _____ attorney in fact to transfer the said Note on the books kept for registration of the within Note, with full power of substitution in the premises.

Dated: _____

(Person(s) executing this Assignment sign(s) here)

SIGNATURE)
GUARANTEED) _____

IMPORTANT - READ CAREFULLY

The signature(s) to this Power must correspond with the name(s) as written upon the face of the Certificate(s) or Note(s) in every particular without alteration or enlargement or any change whatever. Signature guarantee must be provided in accordance with the prevailing standards and procedures of the Registrar and Transfer Agent. Such standards and procedures may require signature to be guaranteed by certain eligible guarantor institutions that participate in a recognized signature guarantee program.

INFORMATION REQUIRED FOR REGISTRATION OF TRANSFER

Name of Transferee(s) _____
Address of Transferee(s) _____
Social Security or Tax Identification _____
Number of Transferee(s) _____
Transferee is a(n):
Individual* _____ Corporation _____
Partnership _____ Trust _____

*If the Note is to be registered in the names of multiple individual owners, the names of all such owners and one address and social security number must be provided.

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with rights of survivorship and not as tenants in common
IA UNIF TRANS MIN ACT - Custodian
(Cust) (Minor)
Under Iowa Uniform Transfers to Minors Act.....
(State)

(End of Note)

Section 5. Security for Note. The Note shall be payable solely from the Project Fund. To pay the principal on the Note when it becomes due, there is hereby created a pledge of the receipts anticipated in said Project Fund to continue until the payment in full of the principal on the Note.

Section 6. Establishment of Project Fund. The Issuer hereby creates and establishes a Project Fund, into which Project Fund are hereby appropriated the following:

Proceeds of not to exceed \$10,599,673 Water Revenue Capital Loan Notes, additional action on the issuance of which previously has been taken and approved by the Board of Water Works Trustees on June 27, 2023

The funds so appropriated shall include in addition thereto all funds of the Issuer, including proceeds realized on the reinvestment of proceeds of the Note, from which the Issuer is or may become obligated to pay under contracts for the construction of the Project to the extent that proceeds of the Note are applied to the payment thereof.

Section 7. Application of Project Fund. The proceeds of the sale of the Note shall be deposited in the Project Fund for application to payment of Project Costs and the costs of issuance of the Note or to pay the principal of the Note when due and for no other purpose.

Disbursements for the payment of Project Costs shall be made by the Secretary upon receipt of vouchers approved by the Governing Body.

After completion of the Project, any moneys remaining in the Project Fund shall be held for the retirement of Note. When the Note is paid or payment is provided for, remaining moneys in the Project Fund may be withdrawn and used for any lawful purpose.

Section 8. Investments. Moneys in the Project Fund shall at all times be invested, to the extent practicable in Permitted Investments maturing at such times and in such amounts as will make cash available for the purposes of such Project Fund as needed.

Section 9. Covenants with Noteholders. Issuer covenants and agrees, so long as any Notes herein authorized remain unpaid, that it:

- a. Will proceed to complete with all practicable dispatch the construction and acquisition of the Project;
- b. Will not make or cause or permit to be made any application of the proceeds of the Note or of any moneys held in the Project Fund, except in accordance with the provisions of this Resolution;
- c. Will from time to time increase the amount of the appropriations to the Project Fund, to the extent necessary to assure that the expected receipts thereafter forthcoming, together with the funds appropriated and held in trust for the purpose, will be sufficient to pay when due the Note as to both principal and interest.
- d. Will obtain the collection of funds and the proceeds of the sale of water revenue capital loan notes anticipated to be received in the Project Fund and, if not paid from other sources, apply the same to the payment of the Note and interest thereon; and
- e. For the prompt and full performance of the terms and provisions of this Resolution and contract with the noteholders, the Issuer pledges its full faith and diligence and the exercise of its lawful powers.

Section 10. Contract Between Issuer and Purchaser. This Resolution constitutes a contract between the Issuer and the purchaser of the Note.

Section 11. Additional Notes. The Issuer may issue Additional Project Notes of equal standing and parity of lien with the Note for the purpose of paying Project Costs to the extent that funds appropriated to the Project Fund are adequate to pay all notes so issued and interest thereon.

The holder or holders of the Notes shall have all other rights and remedies given by law for the payment and enforcement of the Notes and the security therefor.

Section 12. Severability Clause. If any section, paragraph, clause or provision of this Resolution be held invalid, such invalidity shall not affect any of the remaining

provisions hereof, and this Resolution shall become effective immediately upon its passage and approval.

Section 13. Repeal of Conflicting Resolutions or Ordinances. All ordinances and resolutions and parts of ordinances and resolutions in conflict herewith are hereby repealed.

Section 14. Paragraph Headings. The paragraph headings in this Resolution are furnished for convenience of reference only and shall not be considered to be a part of this Resolution.

Section 15. Rule of Construction. This Resolution and the terms and conditions of the Notes authorized hereby shall be construed whenever possible so as not to conflict with the terms and conditions of the Interim Loan and Disbursement Agreement. In the event such construction is not possible, or in the event of any conflict or inconsistency between the terms hereof and those of the Interim Loan and Disbursement Agreement, the terms of the Interim Loan and Disbursement Agreement shall prevail and be given effect to the extent necessary to resolve any such conflict or inconsistency.

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

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

NAYS: None

Whereupon, the Chairperson declared the measure duly adopted.

Des Moines Water Works' Rules and Regulations Update – System Development Fees

Each year Des Moines Water Works' Rules and Regulations document, including the Schedule of Charges, is updated to clarify existing requirements, establish new requirements, and revise fees to cover Des Moines Water Works' cost for providing various services.

As part of the Saylorville Water Treatment Plant expansion discussion, it was realized that some of our System Development Fees (SDFs) are not covering the cost of treatment plant expansions. When the SDFs were originally developed many years ago, they were intended to cover the cost of expanding the distribution system only. Staff recommend striking the 8-inch and 12-inch metered connection fees for all communities listed in the Schedule of Charges. These fees will be calculated on a case-by-case basis until all SDFs are addressed in a future update. Staff intends to review all SDFs later this year and factor estimated treatment plant expansion costs into new proposed fees.

System development fees are charged to aid in covering the costs associated with production, distribution, pumping, and storage facilities that have been or will be constructed to support new and additional demands on the water system that arise with new customers and connections.

A motion was made by Ms. Huppert, seconded by Mr. Davis, to approve the proposed revision to system development fees in the Rules and Regulations with an implementation date of July 1, 2023, and direct publication of the changes as required by statute. Upon roll-call vote, the motion was adopted, with each member of the Board voting in favor of the motion.

Acceptance of 2022 Water Main Replacement

Mr. Corrigan reported that all work associated with the 2022 Water Main Replacement project has been satisfactorily completed.

A motion was made by Mr. Gillette, seconded by Ms. Huppert, to accept the 2022 Des Moines Water Main Replacement Contract, completed by J&K Contracting, LLC, in the amount of \$1,298,351.22. Upon vote, the motion was adopted, with each member of the Board voting in favor of the motion.

Acceptance of NW 26th Street Booster Station

Mr. Corrigan reported that all work associated with the NW 26th Street Booster Station project has been satisfactorily completed.

A motion was made by Ms. Munns, seconded by Mr. Gillette, to accept the NW 26th Street Booster Station project, completed by Henkel Construction Company, in the amount of \$1,602,618.46. Upon vote, the motion was adopted, with each member of the Board voting in favor of the motion.

Request Authorization to Solicit Bids for Des Moines Water Works Grounds Maintenance Facility and Establish the Date of the Public Hearing as the Date of the August 2023 Board Meeting

The Grounds Maintenance Facility project consists of construction of a new building and surrounding site work to support operations of Des Moines Water Works Grounds Maintenance staff. The Grounds Maintenance Facility has been designed by an architectural consultant that was selected through a Request for Proposal (RFP) process.

When complete, the Grounds Maintenance Facility will be located at 2500 George Flagg Parkway; out of its current flood prone site. It will provide a three-bay garage to house equipment, locker room and break room facilities for Grounds staff, and supervisory offices. The site behind the building will be utilized to store equipment, soil and planting materials, and road maintenance products. The third bay is to be bid as an alternate with an estimated cost of \$214,090.

In addition to Grounds operations support, this facility will feature a bulk water vending system to serve customers purchasing large volumes of water for construction or irrigation needs. Currently these sales require the customers to enter the Fleur Drive Treatment Plant. This feature is to be bid as an alternate item with an estimated cost of \$45,240. Upgrading the roofing membrane to a heavier system has an estimated cost of \$7,600. Paving the back lot behind the building has an estimated cost of \$226,500. The architect's estimate for the Grounds Maintenance Facility including alternates is \$4,284,100. Detailed plans and specifications for the Grounds Maintenance Facility are in the final review stages.

A motion was made by Mr. Davis, seconded by Mr. Gillette, to authorize staff to solicit bids for Des Moines Water Works Grounds Maintenance Facility and Establish the Date of the Public Hearing as the Date of the August 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 voting in favor of the motion.

Request Authorization for CEO and General Manager to Execute Professional Services agreement with HNTB Corporation for 2023 Des Moines Water Replacement – Contract 2

Staff recommended 5-year Master Services Agreements for water distribution engineering be executed with HNTB and Snyder & Associates at the April 25th board meeting, which have since been executed. The 2023 Des Moines Water Main Replacement - Contract 2 is comprised of the following six water main replacement segments throughout northeast Des Moines. Budgetary estimate for 2024 construction is \$2,000,000.

- E 27th St from Easton Blvd to 2016 E 27th St
- Richland Dr from Guthrie Ave to Arthur Ave
- E 38th Ct from Easton Blvd to E Sheridan Ave
- E 34th St from Thompson Ave to Arthur Ave
- E 21st St from E University Ave to Easton Blvd
- Guthrie Ave from Glenbrook Dr to 1801 Guthrie Ave

Staff recommends a Professional Services Agreement be executed with HNTB for the 2023 Des Moines Water Main Replacement - Contract 2 subject to the terms and conditions in their 2023-2028 indefinite scope master agreement. HNTB has successfully completed multiple water main designs in Kansas City and West Des Moines. The anticipated design fee stated in HNTB's proposal is \$203,270.

A motion was made by Ms. Huppert seconded by Mr. Gillette, to authorize the CEO and General Manager to execute a Professional Services Agreement with HNTB Corporation in the amount of \$203,270 for 2023 Des Moines Water Main Replacement – Contract 2 design services. Upon vote, the motion was adopted, with each member of the Board voting in favor of the motion.

Request Authorization for CEO and General Manager to Execute Professional Services agreement with Snyder & Associates, Inc., for 2023 Des Moines Water Replacement – Contract 4

Staff recommended 5-year Master Services Agreements for water distribution engineering be executed with HNTB and Snyder & Associates at the April 25th board meeting, which have since been executed. The 2023 Des Moines Water Main Replacement - Contract 4 is comprised of the following five water main replacement segments throughout southeast Des Moines. Budgetary estimate for 2024 construction is \$1,200,000.

- E Pleasant View Dr from SE 5th St to SE 7th St
- SE 7th St from E Virginia Ave (North) to E Pleasant View Dr
- E Virginia Ave from SE 7th St to SE 8th St
- SE 6th St from E Pleasant View Dr to E Park Ave
- E Pleasant View Dr from SE 14th St to 1549 E Pleasant View Dr

Staff recommends a Professional Services Agreement be executed with Snyder & Associates for the 2023 Des Moines Water Main Replacement - Contract 4 subject to the terms and conditions in their 2023-2028 indefinite scope master agreement. Snyder & Associates has successfully completed multiple water main designs in Iowa. The anticipated design fee stated in Snyder & Associates' proposal is \$125,800.

A motion was made by Ms. Munns seconded by Mr. Davis, to authorize the CEO and General Manager to execute a Professional Services Agreement with Snyder & Associates, Inc., in the amount of \$125,800 for 2023 Des Moines Water Main Replacement - Contract 4 design services. Upon vote, the motion was adopted, with each member of the Board voting in favor of the motion.

Request Authorization for CEO and General Manager to Execute Professional Services Agreement with CDM Smith, Inc., for Filtration Pilot Study

At its November 2021 meeting, the Board of Water Works Trustees authorized the CEO and General Manager to execute a Professional Services Agreement with CDM Smith, Inc., for the 2022 Filter Rehabilitation Study. The purpose of this study was to identify and evaluate several filtration alternatives to address water quality and filtration capacity issues in the existing filtration plant at the Fleur Drive Water Treatment Plant.

CDM Smith, Inc., prepared a Filtration Alternatives Technical Memorandum which developed conceptual designs for four alternatives that were reviewed and critiqued by staff from Des Moines Water Works (DMWW). The two alternatives selected by staff for further study and design both involve a reconfigured underdrain system and filter media profile. The two alternatives proposed for additional study are generally described as follows:

- Folded plate stainless steel underdrain system with integral air scour capabilities. The filter media profile consists of 12 inches of sand overlain with 18 inches of anthracite.
- Monolithic concrete plenum-style underdrain with media-retaining nozzles for integral air scour capabilities. This filter media profile also consists of 12 inches of sand overlain with 18 inches of anthracite.

A pilot study is needed to contrast the feasibility, validity, practicality, and cost of the two alternatives described above. The fee proposed by CDM, Smith, Inc., to conduct the filtration pilot study is \$333,900. This cost includes:

- Providing the pilot plant equipment and assisting DMWW staff with set up and installation of the equipment.
- Preparing the protocol for operation of the pilot plant and assisting with its operation.
- Coordinating the operation protocol with IDNR and soliciting IDNR's comments and recommendations regarding the results of the pilot study, the proposed filter media profile, and filter loading rates.
- Authoring a report summarizing the performance of the pilot filters and present recommendations.

A motion was made by Mr. Gillette seconded by Ms. Huppert, to authorize the CEO and General Manager to execute a Professional Services Agreement with CDM Smith, Inc., in the amount of \$333,900 for a Filtration Pilot Study contingent upon 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 voting in favor of the motion.

Request Authorization for CEO and General Manager to Execute Professional Services Agreement with KFI Engineers for 5 kV Switchgear Controls – Phase 1

Staff developed a Request for Proposals to solicit proposals for a 5 kV switchgear and controls study in October 2022. Three proposals were received on October 25, 2022.

Staff reviewed the proposals based upon project team, firm experience, staff resources and approach, and fees. Staff recommended a Professional Services Agreement be executed with KFI Engineers and it was executed in November 2022.

The final study was completed and recommended around \$6.5 million in improvements. Des Moines Water Works has discussed and would like to proceed with about half of the recommended improvements in the next five years, over multiple phases. The total cost of the medium and higher priority recommendations is \$3,445,000. The first phase that we have identified includes the higher priorities and includes replacing protective relays, replacing the existing generator controls system, upgrading the generator fuel oil day tank controls, and installing a new battery system. The budgetary estimate for this construction is \$1,055,000. The anticipated design fee stated in KFI Engineers' proposal is \$119,000, so it seems reasonable for the scope of work and was in line with what was estimated in the study.

A motion was made by Ms. Munns seconded by Mr. Gillette, to authorize the CEO and General Manager to execute a Professional Services Agreement with KFI Engineers in the amount of \$119,000 for the 5 kV Switchgear Controls – Phase 1 design services. Upon vote, the motion was adopted, with each member of the Board voting in favor of the motion.

Request Permission to Establish the Date of Public Hearings for City of Des Moines Stormwater Facility Maintenance Easements as the Date of the July 2023 Board Meeting

The new Grounds Maintenance Facility site includes two distinct areas that contain components of the public stormwater management system servicing this site and adjoining properties. These areas are located on property owned by the Board of Water Works Trustees; therefore, the City of Des Moines requires easement access to these areas to properly maintain the stormwater management system.

This action is a Request for Permission to Establish Public Hearings to evaluate the proposed easements together with an agreement that defines maintenance rights for the City of Des Moines and places design standards and reasonable restrictions on DMWW as the Grantor of the associated easement areas. The easements and agreement are required by the City of Des Moines as a condition of approval of this site for construction of the new Grounds Maintenance Facility. Details of the agreement and the easements within are being finalized between parties.

A motion was made by Mr. Gillette, seconded by Mr. Davis, to establish the date of the July 2023 Board meeting as the date of Public Hearings for City of Des Moines Stormwater Facility Maintenance Easements and direct staff to publish notice as provided by law. Upon vote, the motion was adopted, with each member of the Board voting in favor of the motion.

Request Authorization for CEO and General Manager to Execute Amendment No. 1 to the Professional Services Agreement with Shive-Hattery, Inc., for E. Court Ave Water Main Replacement

On June 22, 2022, the CEO and General Manager executed a Professional Services Agreement (PSA) with Shive-Hattery, Inc. for the E. Court Avenue Water Main Replacement project. Under this PSA, Shive-Hattery, Inc., provides design services for the incorporation of water main replacement into the City of Des Moines paving project. Shive-Hattery, Inc., was chosen for this effort because they had already been selected by the City of Des Moines for their design efforts.

Design services are being provided for two separate project contracts along E. Court Avenue. The first extends from E. 1st Street to E. 7th Street, and the second extends from E. 7th Street to E. 14th Street.

The original PSA total was \$90,500. Shive-Hattery, Inc., has requested an amendment in the amount of \$22,000. The amended contract total will be \$112,500.

Execution of Amendment No. 1 is necessary to add in the following scope items:

1. Inclusion of an additional service connection to the 25 E. 1st Street property (Police Station) to facilitate the abandonment of an existing 1890's-era main.
2. Coordination of the new main location with new duct bank to be installed by Mid-American Energy.
3. Additional profile development for services and street crossings to navigate around electric duct bank, large-diameter sanitary sewer, and storm sewer utilities.
4. Additional staging development to coordinate the constructability of the proposed water main with the City of Des Moines' pavement staging plan.

A motion was made by Ms. Huppert, seconded by Ms. Munns, to authorize the CEO and General Manager to execute Amendment No. 1 to the Professional Services Agreement with Shive-Hattery, Inc., in the amount of \$22,000 for E. Court Ave Water Main Replacement. Upon vote, the motion was adopted, with each member of the Board voting in favor of the motion.

Request Authorization for CEO and General Manager to Execute Amendment No. 1 to the Professional Services Agreement HDR Engineering, Inc., for Saylorville Water Treatment Plant Capacity Expansion Design and Construction Services

On February 6, 2023, the CEO and General Manager executed a Professional Services Agreement (PSA) with HDR for the SWTP Capacity Expansion project in the amount of \$12,999,057. HDR and staff have negotiated scope and fee associated with a proposed Amendment No. 1 to the original agreement in the amount of \$111,551.

Execution of Amendment No. 1 is necessary to allow Black & Veatch, sub-consultant on the project, to perform additional calibrations on the hydrogeologic model provided by United States Geological Survey (USGS) and to keep the project on a timelier schedule. The Black & Veatch perspective is that the initial transient groundwater model, received from USGS in late February of 2023, requires additional calibration work to be used as a more effective design tool to estimate yields and determine optimal well locations. Black & Veatch, in coordination with DMWW staff, has provided their feedback and concerns with USGS. USGS' schedule will not allow delivery of a revised model until December 31 of 2023 at the earliest. DMWW's project team feels it is essential to have the HDR and Black & Veatch team continue the model calibrations to keep the project on a timelier schedule.

The proposed Amendment No. 1 was brought to a recent Central Iowa Water Works Technical Advisory Committee meeting. All communities present voted in favor of proceeding with Amendment No. 1. Staff recommends the Board authorize the CEO and General Manager to execute Amendment No. 1 to the PSA with HDR Engineering, Inc., in the amount of \$111,551. The revised agreement amount with HDR Engineering, Inc., will be \$13,110,608.

A motion was made by Mr. Gillette, seconded by Ms. Huppert, to authorize the CEO and General Manager to execute Amendment No. 1 to the Professional Services Agreement with HDR

Engineering, Inc., in the amount of \$111,551 for the SWTP Capacity Expansion project. Upon 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:

- Finance and Audit Committee – A meeting was held on June 6, 2023, as reflected in the minutes thereof. Mr. Davis gave a brief summary of the meeting.
- Planning Committee – A meeting was held on June 13, 2023, as reflected in the minutes thereof. Ms. Huppert gave a brief summary of the meeting.
- Stowe Foundation – Mr. Gillette shared that the Stowe Foundation has engaged the School of Education at Drake University on a multi-year program starting this summer to look into to developing children’s curriculum that is complimentary to what the Stowe Citizen Water Academy provides for adults.
- Greater Des Moines Botanical Garden – Mr. Gillette had no update to share. Mr. Corrigan highlighted the Q1/Q2 update in the board packet.
- Des Moines Water Works Park Foundation Board – Ms. Boulton reported that the foundation’s focus continues to be on the concert series model to make the park improvements self-sustaining. Mr. Bruner shared that 8,000 attendees are expected at the Willie Nelson concert.

CEO and General Manager’s Comments

Mr. Corrigan introduced Caitlin Caldwell to the Board. She will be assuming board support duties in July. He shared that the EPA held their public meeting for the Lot 46 Valley Gardens TCE site and did a nice job of delivering the message to those in attendance. Mr. Corrigan noted that the Willie Nelson concert will be the largest paid show at the Lauridsen Amphitheater to date and that July 11th marks the 30-year anniversary of the Flood of ‘93.

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.

5:11 p.m. adjourned