

**MINUTES OF CALLED MEETING OF THE BOARD OF WATER WORKS TRUSTEES
PURSUANT TO NOTICE
Tuesday, July 26, 2022**

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

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

Staff members: Bill Blubaugh, Rachel Brown, Pat Bruner, Nathan Casey, Ted Corrigan, Kyle Danley, Doug Garnett, Michelle Holland, Amy Kahler, Mike McCurnin, Laura Sarcone, Jennifer Terry, and Michelle Watson

Also in attendance: Rick Malm (legal counsel)

Ms. Boulton called the meeting to order at 3:33 p.m.

Consent Agenda

A motion was made by Ms. Munns, seconded by Ms. Huppert, to approve Consent Items A, B, C, D, and E, (Approval of Minutes, June 28, 2022, Board of Water Works Trustees Meeting; Minutes, July 5, 2022, Planning Committee Meeting; Minutes, July 12, 2022, Finance and Audit Committee Meeting; Receipt and filing of the financial statements for audit purposes; Approval of Payments for June 2022; Approval of Summary of CEO-Approved Expenditures in Excess of \$20,000; and Approval of August 23, 2022, as the next meeting of the Board of Water Works Trustees). Upon vote, the motion was adopted, with each member of the Board listed above as present voting in favor of the motion.

Public Comment Period

No comments were received from the public.

Mr. Corrigan provided an update on regionalization.

PFAS Multi-District Litigation

Des Moines Water Works has identified contamination of perfluoroalkyl (“PFAS”) in source waters and in finished water. Des Moines Water Works has been approached about the possibility of joining pending multi-district litigation known as Aqueous Film-Forming Films (“AFFF”) Products Liability Litigation, MDL No. 2873 (“MDL”), located in South Carolina regarding contamination from PFAS by The Driscoll Firm, LLC; Kennedy & Madonna, LLP; SL Environmental Law Group PC; Douglas & London, P.C.; Levin, Papantonio, Rafferty, Proctor, Buchanan, O’Brien, Barr, Mougey, P.A., and Taft Stettinius & Hollister, LLP (the “Firms”).

A motion was made by Mr. Aschbrenner, and seconded by Ms. Munns, to adopt and execute the form of agreement to engage the Firms as counsel to represent Des Moines Water Works in the pending MDL in the United States District Court for South Carolina. Upon vote, the motion was adopted, with each member of the Board listed above as present voting in favor of the motion.

Retention Proposal

Recent worldwide and national events including the COVID-19 pandemic, the “great resignation”, and hyper-inflation have resulted in an extremely competitive labor market with employers across the country offering incentives to attract and retain employees. Staff has considered several options

to support and retain Des Moines Water Works employees in these challenging times including midyear pay increases and one-time retention payments. In November of 2021 the Board approved the Agreement between DMWW and AFSCME which included provisions for 3% across the board wage increases in 2022, 2023, and 2024. Many labor agreements that went into effect on July 1, 2022, including the City of Ankeny and the City of Waukee who are on a fiscal year calendar, included provisions for 4% across the board wage increases based partially on the influence of recent events. Another option being used by agencies across the country, including Des Moines Area Community College locally, is one-time retention payments. Base pay increases provide lasting benefit but result in small increases in available cash for employees on a weekly basis. Retention payments are onetime but provide immediately available cash to the employee. Staff recommends the Board consider a one-time retention incentive payment to all regular full-time and part-time employees (not including seasonal, temporary, or interns) proportionate to their hours worked per week. Each employee would receive the same payment regardless of tenure or paygrade. The payments would be considered regular income and as such would be subject to both state and federal income tax.

A motion was made by Ms. Huppert, and seconded by Mr. Aschbrenner, to approve retention payments in the amount of \$1,000 for all regular full-time and part-time employees employed as of August 1, 2022, and authorize staff to apply the payments in the first pay period in August 2022. Upon vote, the motion was adopted, with each member of the Board listed above as present voting in favor of the motion.

Workers Compensation Settlement

At the June 2022 Board meeting a closed session was held to discuss the case of *Michael Auch v. Des Moines Water Works*, File No. 21700001.01, and DMWW's strategy related to the case. On July 1, 2022, a preliminary settlement was reached on the workers compensation case in the amount of \$175,000, subject to approval of the DMWW's board.

A motion was made by Ms. Huppert, and seconded by Mr. Aschbrenner, to authorize staff to accept and execute the proposed settlement terms, which includes a workers' compensation settlement payment to Michael Auch in the amount of \$175,000. 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 Professional Services Agreement for Fleur Drive Water Treatment Plant High Lift Variable Frequency Drive

Staff prepared a request for proposals (RFP) for conducting an evaluation of the Fleur High Lift Pumps. This evaluation is to select the High Lift Pump which will provide the most operational flexibility. The RFP also includes selection of the variable frequency drive equipment and design for installation of that equipment. Three proposals were received on July 13, 2022. These proposals were reviewed by staff members most likely to interact with this equipment, including an Operator, Control System Specialist, Utility Mechanic, and the Water Production Supervisors. Proposals were awarded points based on project manager and key staff experience, firm experience, project familiarity and approach, fees, and project schedule. All members of the selection committee scored the same consultant the highest.

A motion was made by Mr. Aschbrenner seconded by Ms. Huppert, to authorize the CEO and General Manager to execute a Professional Services Agreement with HDR Engineering, Inc., for the Fleur Drive High Lift Variable Frequency Drive 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 listed above as present voting in favor of the motion.

Request Authorization for CEO and General Manger to Execute Change Order No. 1 to 2022 Water Main Replacement Contract

At the May 2022 meeting, the Board awarded the 2022 Water Main Replacement Contract to J&K Contracting, LLC, in the amount of \$989,145. A component of the project was the relocation of water main nearby the NE 22nd Street bridge in preparation for improvements to the I-80 & I-235 interchange. Revisions to the design of the interchange improvements have created a new conflict with the proposed water main relocation, requiring a change to intended work. A new water main design has been completed, shifting the water main crossing I-80 1,000 feet west of its current location. J&K Contracting, LLC, was asked to provide pricing for the new water main design, abandonment of the existing water main that will be in conflict, and deletion of the original scope of work in this location currently under contract. The original contract scope of work included 340 linear feet of trenched pipeline, of which 160 linear feet was cased. The revised scope of work includes 1,040 linear feet of pipeline, of which 420 linear feet will be cased and bored under I-80. The revised scope of work also includes the abandonment of 1,100 linear feet of existing pipeline that will be in conflict with the I-80 improvements. This Change Order will provide additional compensation to J&K Contracting, LLC, in the amount of \$395,975 for the time and material required for the revised scope of work.

A motion was made by Ms. Huppert seconded by Mr. Aschbrenner, to authorize the CEO and General Manager to execute Change Order No. 1 to the 2022 Water Main Replacement contract in the amount of \$395,975. 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 Solicit Bids for 2022 Treatment Basin No. 1 Rechaining and Establish the Date of the Public Hearing as the Date of the September 2022 Board Meeting

The primary function of the treatment basins is to lower the amount of hardness, in the form of calcium and magnesium, from the raw water taken from the Raccoon River, Des Moines River, and infiltration gallery. A system of electric-motor-driven chains pull flight boards along the bottom of the treatment basins to collect the solid particles and organics that settle to the bottom of the treatment basins. These settled materials are then pumped to the Lime Sludge Dewatering Facility for dewatering and loaded onto trucks for disposal. The chains, flight boards and other collection system-related equipment require periodic replacement – typically every ten years for the treatment basins while the presedimentation basins typically require replacement every seven to eight years.

Staff is preparing plans, specifications, and contract documents for replacement of the chains, flight boards and other collection system-related equipment for Treatment Basin No. 1. The engineer's cost estimate for the 2022 Treatment Basin No. 1 project is \$440,000. This estimate includes the \$250,000 in contractor costs to install the replacement equipment and the cost of \$190,000 for replacement equipment purchased by Des Moines Water Works and provided to the contractor.

A motion was made by Ms. Munns, seconded by Mr. Aschbrenner, to authorize staff to solicit bids for the 2022 Treatment Basin No. 1 Reclaiming contract and establish the date of the Public Hearing as the date of the September 2022 Board meeting, and direct staff to publish notice as provided by law. Upon vote, the motion was adopted, with each member of the Board listed above as present voting in favor of the motion.

Request Permission to Issue a Supplemental Purchase Order for Rehabilitation of Lime Sludge Dewatering Press Equipment

At the August 2021 Board meeting, the Board of Water Works Trustees (the “Board”) authorized staff to issue a Purchase Order to Reppert Rigging and Hauling (Reppert) in the amount of \$155,000. The scope of work described in this Purchase Order was for Reppert to provide staff and equipment to assist field service personnel from Evoqua Water Technologies LLC (Evoqua) in rehabilitation of the existing lime sludge dewatering press equipment in the Lime Sludge Dewatering Facility. It was discovered after rehabilitation work started on Filter Press 2 that the degree of deterioration required component replacement and rehabilitation efforts significantly greater than originally anticipated. The Board authorized staff to issue a supplemental Purchase Order at the December 2021 Board meeting in the amount of \$190,000 for Reppert to continue assisting Evoqua with rehabilitation and repair of Filter Press 2. Repairs to Filter Press 2 are anticipated to be complete by the end of July. Reppert estimates an additional \$80,000 is needed to provide labor and equipment to Evoqua to complete the rehabilitation of Filter Press 2.

A motion was made by Mr. Aschbrenner, seconded by Ms. Huppert, to authorize staff to issue a second supplemental Purchase Order to Reppert Rigging and Hauling, in the amount of an additional \$80,000, for providing personnel and equipment in assisting Evoqua’s on-site field service workforce in rehabilitation of the existing lime sludge dewatering press equipment in the Lime Sludge Dewatering Facility. Upon vote, the motion was adopted, with each member of the Board listed above as present voting in favor of the motion.

2023 Water Treatment Chemicals – Activated Carbon

Several vendors, including Carbpure, who had been our supplier for many years, have informed us they will not be bidding on DMWW’s 2023 Activated Carbon contract. Others have not responded to our request for bidding information. The reason provided is limited carbon supply due to reduction in domestic and international production. Many activated carbon suppliers obtain the material from overseas. Calgon Carbon, who was awarded our business for 2022, is one of the few that produces the material here in the United States. Calgon has offered to extend our 2022 contract into 2023. On June 20th Calgon made the recommendation to renew the 2022 Activated Carbon contract at the prices identified in the board materials effective January 1, 2023, to secure activated carbon for Fleur and McMullen plants in 2023. The offer is valid for 60 days or they will need to re-evaluate pricing for 2023. If the contract is not extended, we risk not having sufficient carbon supplies in 2023. Staff recommends the Board award an extension of our 2022 Activated Carbon contract to Calgon for 2023 to secure activated carbon used in our water treatment.

A motion was made by Ms. Huppert, seconded by Ms. Munns, to approve the extension of the 2022 Activated Carbon contract with Calgon Carbon for 2023 activated carbon needs. 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:

- Planning Committee – A meeting was held on July 5, 2022, as reflected in the minutes thereof. Ms. Boulton gave a brief summary of the meeting.
- Finance and Audit Committee – A meeting was held on July 12, 2022, as reflected in the minutes thereof. Ms. Huppert gave a brief summary of the meeting.
- Bill Stowe Memorial – Ms. Boulton shared that the interns from Lakeside Lab are nearing completion of their internship and will be presenting their findings in early August.
- Greater Des Moines Botanical Garden – No report was given.
- Des Moines Water Works Park Foundation Board – Ms. Boulton shared that the Park Foundation Board has agreed to the terms of an agreement with the City of Des Moines for repayment of the debt for the Ruan Connector. A docuseries including a water quality documentary will be held at the amphitheater this fall.

CEO and General Manager's Comments

Mr. Corrigan provided an update on the Strategic Plan.

Mr. Aschbrenner left the meeting shortly before adjournment.

Adjournment – Meeting adjourned by unanimous consent.

5:04 p.m. adjourned