

**MINUTES OF MEETING OF FINANCE AND AUDIT COMMITTEE
OF THE BOARD OF WATER WORKS TRUSTEES
PURSUANT TO NOTICE**

September 14, 2021

3:30 p.m.

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

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

Staff Members: Pat Bruner, Ted Corrigan, Doug Garnett, Donna Heckman, Amy Kahler, Mike McCurnin, Laura Sarcone, Jennifer Terry, and Michelle Watson

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

Meeting called to order at 3:30 p.m.

1. 2012 Water Revenue Bonds

Ms. Kahler gave an update on refunding or redeeming the 2012B and Series 2012A bonds and provided a summary of the next steps related to bond matters:

- Make decisions to possibly redeem or refund the 2012B and Series 2012A bonds
- Proceed with a Public Hearing to refund the 2012B bonds as of the September 28, 2021, board meeting in order to preserve this option.
- Follow up with Urbandale Water Utility to understand their decision on whether they wish to redeem their portion of the 2012B bonds (all other participants have already stated they do wish to redeem).
- Decide if DMWW wishes to redeem or possibly refund depending on the decision of others.
- If redemption is pursued:
 - o Staff will collect formal resolutions from participants committing to redemption.
 - o Pass a resolution(s) to redeem both 2012A and 2012B bonds at the October 26th Board meeting.
 - o DMWW will notify bondholders at least 30 days prior to the December 1 redemption date as required.
 - o Participants to the 2012B bonds would remit their respective pay-off amounts in cash to DMWW by November 19th
 - o DMWW would pay off bonds to be redeemed on December 1, 2021.

2. 2022 Water Rates

Ms. Kahler provided the history of Raftelis' evaluation and update of DMWW's Cost of Service model that showed that DMWW is not recovering the cost to serve some customer classes, including the purchased capacity customer class. Regionalization discussions have progressed but are still underway, and staff recommends that DMWW proceed with establishing 2022 purchased capacity wholesale rates based on the recommendations made by Raftelis to include: 1) a fixed monthly availability per Max Day thousand gallons to recover fixed costs, and 2) a volumetric charge per thousand gallons to recover variable costs. DMWW legal counsel's opinion is that the rate changes contemplated are within the boundaries of the Master Agreement, but a contrary view previously expressed by counsel for West Des Moines Water Works was noted and discussed. The 2022 budget has not yet been finalized, but work will be completed over the next several weeks integrating Raftelis' recommendations into the revenue projections.

3. CEO and General Manager's Comments

Mr. Corrigan provided an update on vaccine mandates coming from Washington D.C. and the potential impact they may have on DMWW.

4. Public Comments – There were no comments from the public.

Meeting adjourned at 4:25 p.m.