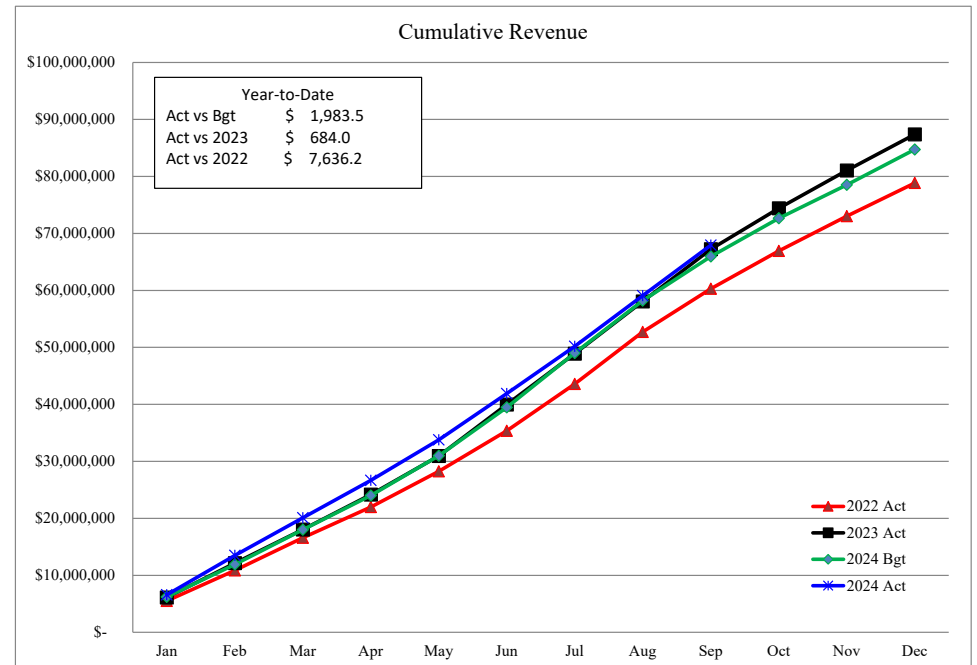
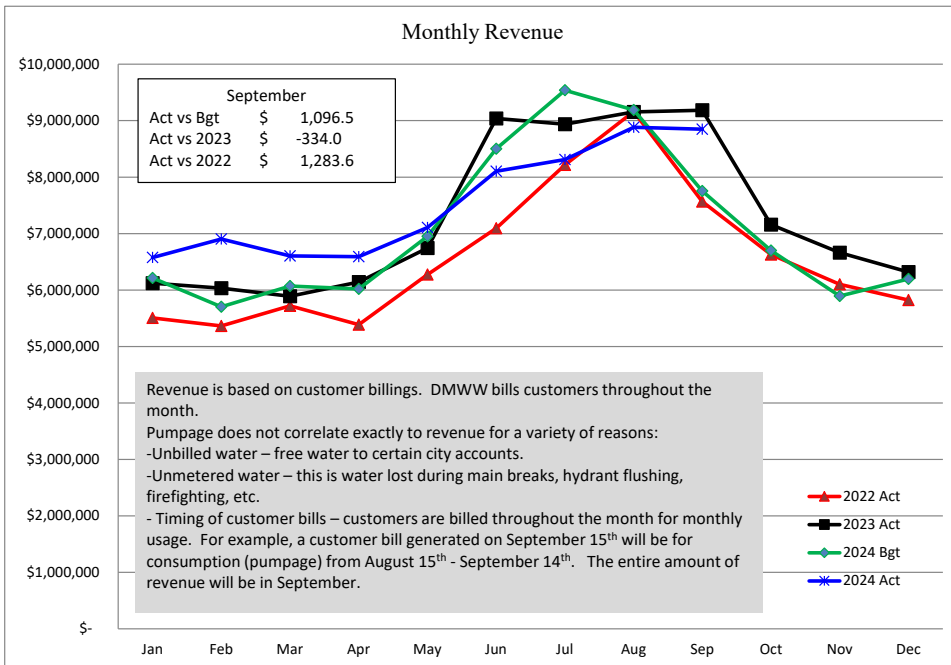
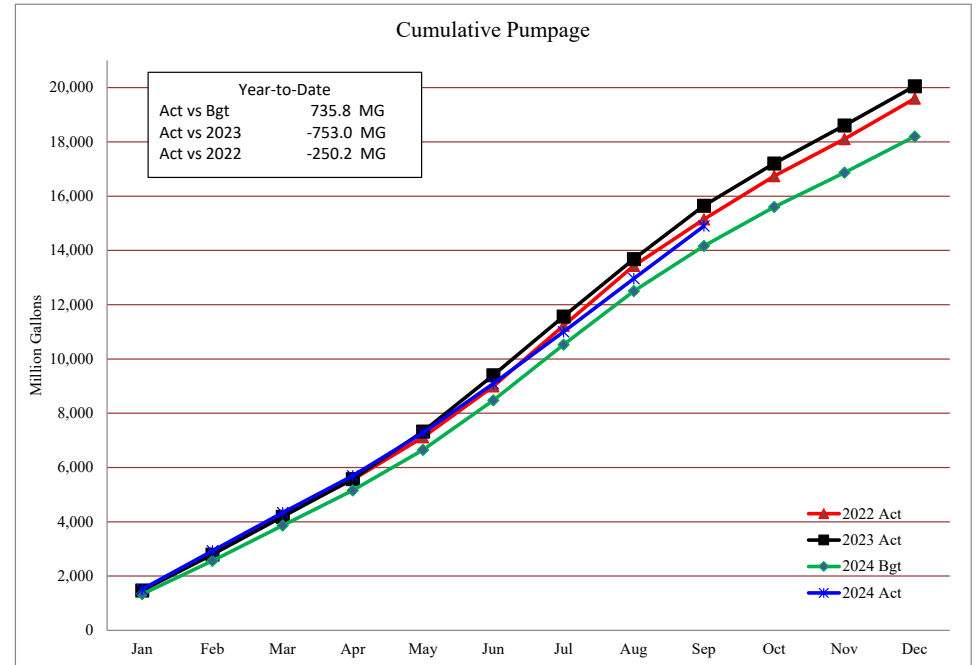
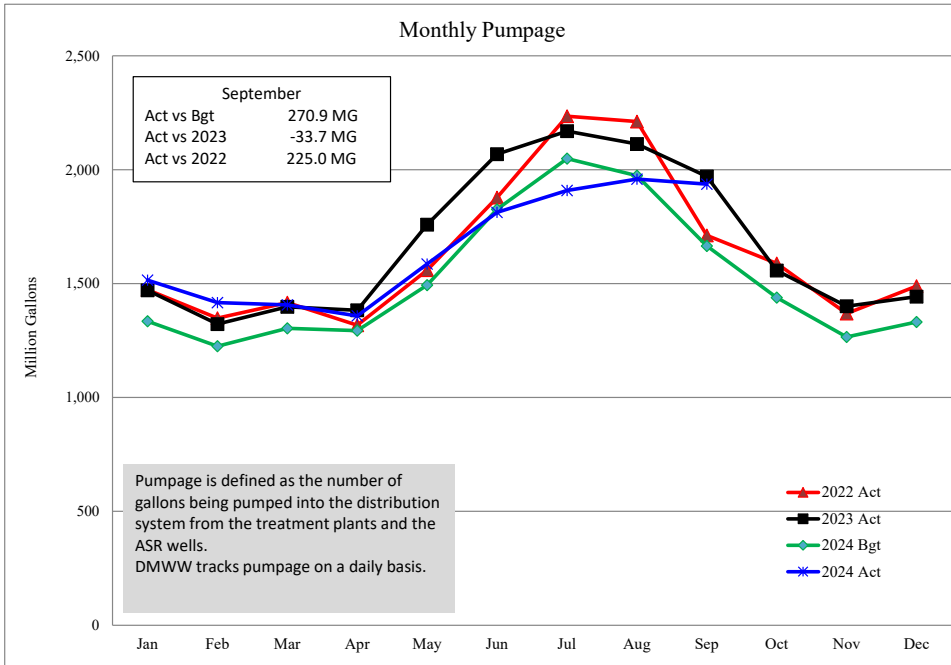


## Pumpage & Revenue Graphs September, 2024



**MEETING**  
**Board of Water Works Trustees**  
Des Moines Water Works  
October 29, 2024  
2201 George Flagg Parkway  
3:30 p.m.

Join Zoom Meeting  
<https://us02web.zoom.us/j/88459965347?pwd=2bRBZ3pdtqdo0ThiNxMQiaSPjeaEy4.1>  
Meeting ID: 884 5996 5347 Passcode: 921862

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**Decision Agenda**

***I. Consent Agenda:***

- A. Minutes, September 24, 2024, Board of Water Works Trustees Meeting  
Minutes, October 8, 2024, Planning Committee Meeting  
Minutes, October 16, 2024, Finance and Audit Committee Meeting
- B. Financial Statements
- C. List of Payments for September 2024
- D. Summary of CEO-Approved Expenditures in Excess of \$50,000
- E. Next Meeting Date – November 26, 2024

***II. Public Comment Period:***

***III. Action Items:***

- A. Approval of Proposed Resolution Adopting 2025 Water Rates
- B. 2025 Corporate Insurance
- C. Proposed 2025 Budget – Establish Public Hearing as the Date of the November 2024 Board Meeting
- D. Receive and File Cost of Service Report
- E. Request Authorization to Solicit Bids for Fleur Drive WTP High Lift Pump VFD Installation and Establish the Date of the Public Hearing as the December 2024 Board Meeting
- F. Request Authorization to Solicit Bids for McKinley Ave Water Main Replacement SW 9<sup>th</sup> Street to SW 14<sup>h</sup> Street and Establish the Date of the Public Hearing as the December 2024 Board Meeting
- G. Request Authorization to Solicit Bids for 2024 Water Works Park Road Project and Establish the Date of the Public Hearing as the December 2024 Board Meeting

- H. Request Authorization to Solicit Bids for 2024 FWTP Distribution Building Improvements Remodel Phase 1 Project and Set the Date of the Public Hearing as the December Board Meeting
- I. Request Authorization to Execute 28E Agreement between Des Moines Water Works and the City of Bondurant for Design, Construction, and Funding of the Bondurant Water Utility Improvements
- J. Request Authorization for CEO and General Manager to Execute Change Order No. 6 to 2023 Des Moines Water Main Replacement Contract 2
- K. Request Authorization to Solicit Bids for the Northeast Booster Station Project and Establish the Date of the Public Hearing as the December 2024 Board Meeting
- L. 2024 PCPS Aquifer Storage and Recovery (ASR) Well Bid Package 2 (BP2) – Well Pump & Control Building
- M. Additional Public Hearing on Asset Transfer to Central Iowa Water Works

**IV. Information Items:**

- A. Board Committee Reports
  - Finance and Audit Committee
  - Planning Committee
- B. Board Membership Reports
  - Central Iowa Water Works Board
  - Greater Des Moines Botanical Garden Board
  - Des Moines Water Works Park Foundation Board
- C. CEO and General Manager’s Comments
  - Quarterly Strategic Plan Update
- D. Utility Updates
  - Safety Update
  - Community Outreach Update
  - Contract Status and Professional Services Agreements

**OSHA Recordable  
Injuries YTD: 7**

**V. Adjournment**

Schedule of Board Activities – November & December Time: 3:30 p.m.		
<u>Date</u>	<u>Location</u>	<u>Meeting</u>
November 5	Board Room & Virtual	Finance and Audit Committee Meeting
November 12	Board Room & Virtual	Planning Committee Meeting
November 26	Board Room & Virtual	Board of Water Works Trustees
December 3	Board Room & Virtual	Finance and Audit Committee Meeting
December 10	Board Room & Virtual	Planning Committee Meeting
December 17	Board Room & Virtual	Board of Water Works Trustees

Schedule of Central Iowa Water Works Activities  
November & December

<u>Date</u>	<u>Time</u>	<u>Location</u>	<u>Meeting</u>
November 27	3:00 pm	MidAmerican RecPlex	Board Meeting
November 13	1:00 pm	DMWW Board Room	CIWW Technical Committee Meeting
December 23	3:00 pm	MidAmerican RecPlex	Board Meeting



**AGENDA ITEM FORM**

**SUBJECT: Consent Agenda**

**SUMMARY:**

- A. Minutes, September 24, 2024, Board of Water Works Trustees Meeting  
**Request:** Approve September 24, 2024, Minutes  
Minutes, October 16, Finance and Audit Committee Meeting  
**Request:** Approve October 16, 2024, Minutes  
Minutes, October 9, 2024, Planning Committee Meeting  
**Request:** Approve October 9, 2024, Minutes
- B. Financial Statements
  - At September 2024, total assets of the Des Moines Water Works were \$540.5 million, liabilities totaled \$48.4 million, deferred outflows totaled \$9.6 million, deferred inflows totaled \$8.3 million and Net Position (contributions and retained earnings) were \$493.3 million.
  - Total operating revenue for the month of September was \$9.8 million. Operating expenses for the month were approximately \$5.2 million, other income was \$0.2 million, leaving net earnings of approximately \$4.8 million.
  - **Request:** Receive and File the September 2024 Financial Statements.
- C. List of Payments for September 2024  
**Request:** Approve September 2024 payments
- D. Summary of CEO-approved expenditures in excess of \$50,000  
**Request:** Approve the CEO-approved expenditures in excess of \$50,000
- E. Next Meeting Date – November 26, 2024  
**Request:** Approve November 26, 2024, as the date of the next meeting of the Board of Water Works Trustees.

**FISCAL IMPACT:**




No impact to budget.

**RECOMMENDED ACTION:**

Approve Consent Agenda Items A, B, C, D, and E.

**BOARD REQUIRED ACTION:**

Motion to approve Consent Agenda.

 Michelle Holland, CPA Controller	10/23/24 (date)	 Amy Kahler, CPA Chief Financial Officer	10/24/24 (date)	 Ted Corrigan, P.E. CEO and General Manager	10/24/24 (date)
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Attachments: September 24, 2024, Board of Water Works Trustees Meeting Minutes; October 16, 2024, Finance and Audit Committee Meeting Minutes; October 9, 2024, Planning Committee Meeting; September 2024 Financial Statements; List of Payments and Summary of CEO-approved expenditures in excess of \$50,000.

**MINUTES OF CALLED MEETING OF THE BOARD OF WATER WORKS TRUSTEES  
PURSUANT TO NOTICE  
Tuesday, September 24, 2024**

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

Board Members: Chairperson Ms. Andrea Boulton, Mr. Alec Davis, Mr. Graham Gillette,  
Ms. Susan Huppert, and Ms. Diane Munns

Staff members: Scott Ayres, Pat Bruner, Bill Blubaugh, Caitlin Caldwell, Nathan Casey,  
Ted Corrigan, Kyle Danley, Doug Garnett, Amy Kahler, Jonathan Mouw,  
Jenny Puffer, Melissa Walker, Lindsey Wanderscheid, and Mike Zach

Also in attendance: John Lande (legal counsel)

Chairperson Ms. Andrea Boulton called the meeting to order at 3:32 p.m.

Consent Agenda

A motion was made by Mr. Gillette, seconded by Ms. Huppert, to approve Consent Items A, B, C, D, and E (Approval of Minutes, August 27, 2024, Board of Water Works Trustees Meeting; Minutes; September 3, 2024, Special Board Meeting and Planning Committee Meeting; September 10, 2024 Finance and Audit Committee Meeting; Approval of Payments for August; and Approval of October 29, 2024, 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

There were no comments from the public.

Acceptance and Approval of Termination of Central Iowa Regional Water Commission and of Amendment to 28E Agreement to Terminate

The Central Iowa Regional Drinking Water Commission (CIRDWC), established in 2001 through a 28E Agreement, has been inactive since 2018 due to ongoing regionalization discussions that ultimately led to the creation of Central Iowa Water Works (CIWW). Originally consisting of 24 member communities, CIRDWC had 21 voting members by the time it became inactive. Des Moines Water Works (DMWW) has been a dues-paying member since CIRDWC's inception. With CIWW meant to assume all responsibilities of CIRDWC, it is appropriate to officially terminate CIRDWC. To do so, a majority of members (at least eleven) must approve the attached Acceptance and Resolution, after which a Statement of Termination and Amendment will be filed with the Secretary of State. Following CIRDWC's termination, the remaining funds, totaling \$63,705.78, will be distributed among the members based on the dues they have paid.

A motion was made by Ms. Huppert and seconded by Mr. Gillette to resolve to authorize the Chairperson to execute the Acceptance and approval of Termination of Central Iowa Regional Drinking Water Commission and of Amendment to 28E Agreement to Terminate. Upon vote, the motion for resolution was adopted, with each member of the Board present voting in favor.

#### 28E Agreement Between Central Iowa Water Works and the Board of Water Works Trustees for Group Health Benefit Plans

Central Iowa Water Works (CIWW) plans to initially employ an Executive Director and an Executive Assistant. The Executive Assistant began work on September 16, 2024, with health benefits starting on October 1, 2024. Due to the small number of employees, health insurance costs for CIWW would be high. To reduce these costs, CIWW is exploring the option of joining another member agency's health benefit plan, including that of Des Moines Water Works (DMWW). Rick Malm from Dickinson Bradshaw has prepared a 28E Agreement between CIWW and DMWW, allowing CIWW employees to be covered under DMWW's health insurance plans. This agreement includes input from key stakeholders, such as the Iowa Governmental Health Care Plan (IGHCP) and Wellmark, its insurance carrier. The health benefits for CIWW employees will match those provided to DMWW employees, and CIWW will pay the same employer costs. There will be no additional cost to DMWW, which will receive an annual administration fee of \$100 per CIWW employee to cover administrative expenses, with the fee subject to adjustment with 60 days' notice. The 28E Agreement will be presented to the CIWW Board for approval on September 25th.

A motion was made by Ms. Munns and seconded by Mr. Davis to resolve to authorize the Chairperson and CEO and General Manager/Board Secretary to execute the 28E Agreement Between the Central Iowa Water Works and the Board of Water Works Trustees of the City of Des Moines, Iowa for Group Health Benefit Plans. Upon vote, the motion for resolution was adopted, with each member of the Board present voting in favor.

#### Proposed Residential Inclining Block Rate Structure – Establish a Public Hearing as the Date of the October 2024 Board Meeting

Des Moines Water Works (DMWW) is focused on maintaining affordable rates and managing peak demand. Currently, DMWW uses a declining rate block structure, where rates decrease as usage increases. However, due to projected higher capacity costs from seasonal peak demand, this structure is no longer effective, particularly as some residential customers move to lower rate blocks during peak times like lawn watering. At the September 3rd Finance & Audit Committee meeting, staff recommended switching to an inclining block rate structure for residential customers to improve affordability, conservation, customer understanding, and consistency across service areas. The Committee supported this change. Staff will recommend 2025 rates at the October board meeting, along with a public hearing on the new rate design for residential customers, which this action sets for the same date.

A motion was made by Mr. Gillette and seconded by Mr. Davis to resolve to establish the date of Public Hearing as the date of the October 2024 Board meeting to act on the approval of the 2025 rates and direct staff to publish notice as required by law and set forth in the Board Policy Manual. Upon vote, the motion for resolution was adopted, with each member of the Board present voting in favor.

#### Award of 2024 – Multiple Facilities – Roof Repairs

On September 6, 2024, Engineering Staff received bids for the 2024 Multiple Facilities Roof Repairs project, which covers roof repairs at the Saylorville, McMullen, Fleur Drive Water Treatment Plants, and the Polk County Pumping Station. Two bids were received: Academy Roofing & Sheet Metal Co. at \$136,985.00 and ForSure Roofing & Sheet Metal, LLC at \$184,163.00. The engineer's estimate was \$225,000.

A motion was made by Ms. Munns and seconded by Mr. Gillette to resolve to Award the 2024 – Multiple Facilities – Roof Repairs project to Academy Roofing & Sheet Metal Co. in the amount of \$136,985 and the Chairperson and the CEO and General Manager to execute the contract. Upon vote, the motion for resolution was adopted, with each member of the Board identified as present voting in favor of the motion.

#### Request Authorization to Solicit Bids for the 2024 Southeast Connector Pleasant Hill Meter Pit Project and Establish the date of the Public Hearing as the September Board Meeting

On February 27, 2024, the Board of Water Works Trustees awarded the DMWW SWTP West Feeder Main Phase 3 project to SJ Louis Construction, Inc. for \$11,106,561.50. During construction, several unforeseen issues arose, increasing the project cost. These include: \$75,621.93 for removing an old bridge foundation obstructing the 72” casing pipe under Merle Hay Road, \$46,302.94 for resolving a utility conflict with a CenturyLink fiber optic duct bank, \$71,959.32 for installing 60 feet of 60-inch casing pipe to accommodate future storm sewer work by the City of Johnston (which will reimburse half the cost), and \$32,326.47 for adjusting the water transmission main alignment at a Mid-American Energy substation to clear a high voltage pole.

The original contract sum was \$11,106,561.50, with a net increase from previous change orders resulting in a revised contract amount of \$11,189,403.99. Change Order No. 2 was discussed at a recent CIWW Technical Committee meeting, where all communities present voted in favor of proceeding.

A motion was made by Ms. Munns and seconded by Ms. Huppert to resolve to authorize the CEO and General Manager to execute Change Order No. 2 to the SWTP West Feeder Main Phase 3 project in the amount of \$226,210.66. Upon vote, the motion for resolution was adopted, with each member of the Board identified as present voting in favor of the motion.

#### Acceptance of Maffitt East Feeder Main – Valve Vault

At the April 2023 Board meeting, the Board of Water Works Trustees awarded a contract to WRH, Inc., for \$1,280,000 for the Maffitt East Feeder Main – Valve Vault 2 project. This followed a 2021 memorandum of understanding between West Des Moines Water Works (WDMWW) and Des Moines Water Works (DMWW) to construct a throttling facility along the Maffitt East Feeder Main to ensure water from the Fleur Water Treatment Plant (FWTP) would be the primary supplier to new data centers in West Des Moines during high demand periods. The scope of work included constructing a new throttling valve and valve vault to meet this need.

All work has been satisfactorily completed, and the valve was placed into service in mid-August 2024. The final contract price is \$1,308,550.31, which includes four change orders totaling \$28,550.31 for additional cathodic protection, electrical modifications, and an exhaust fan for the vault. The Central Iowa Water Works Technical Committee has been briefed and recommends accepting the contract.

A motion was made by Ms. Munns and seconded by Ms. Huppert to resolve to accept the Maffitt East Feeder Main – Valve Vault 2 Contract, completed by WRH, Inc., in the amount of \$1,308,550.31. Upon vote, the motion for resolution was adopted, with each member of the Board identified as present voting in favor of the motion.

#### 2024 SE Connector Pleasant Hill Meter Pit

In August 2024, the Board of Water Works Trustees authorized staff to solicit bids for the 2024 Southeast Connector Pleasant Hill Meter Pit project, with the public hearing scheduled for the September 2024 Board meeting. The project involves the installation of a new concrete meter structure between the Des Moines and Pleasant Hill service areas, coordination of a new DMWW-furnished meter installation, replacement of a fire hydrant assembly, abandonment and replacement of a 6-inch water service, and associated piping, valves, grading, and site restoration.

Several contractors expressed interest in the project, and staff conducted follow-up outreach during the week of September 2, 2024. On September 17, 2024, five bids were submitted, with On Track Construction, LLC providing the lowest bid at \$130,500, followed by Vanderpool Construction, Inc. at \$137,000. The engineer's estimate for the project was \$150,000.

Chairperson opened the Public Hearing for comments regarding the form of contract, plans and specifications, and estimated cost. The Chairperson then closed the hearing. A motion was made by Mr. Davis and seconded by Mr. Gillette to resolve to adopt the form of contract, plans and specifications, and estimated cost. Upon the vote, the motion for resolution was adopted, with each member of the Board identified as present voting in favor of the motion.

Bids for the 2024 SE Connector Pleasant Hill Meter Pit project were analyzed. There was a motion for resolution to award the contract, and authorize the CEO and General manager to execute the contract with On Track Construction, LLC. Upon the vote, the motion for resolution was adopted, with each member of the Board identified as present voting in favor of the motion. The Board awarded the 2024 SE Connector Pleasant Hill Meter Pit project to On Track Construction, LLC for \$130,500. The Chairperson and CEO and General Manager were authorized to execute the contract.

#### 2023 Des Moines Water Main Replacement - Contract 5

In August 2024, the Board of Water Works Trustees authorized staff to solicit bids for the 2023 Des Moines Water Main Replacement – Contract 5 project, with the public hearing scheduled for the September 2024 Board meeting. The project involves installing various lengths of ductile iron and polyvinyl chloride water mains across several streets in Des Moines. Four bids were submitted on September 17, 2024, with On Track Construction, LLC providing the lowest bid of

\$2,425,522, below the engineer's estimate of \$2,919,000. Given On Track Construction's successful history with DMWW projects, staff recommends awarding the contract to them.

Chairperson opened the Public Hearing for comments regarding the form of contract, plans and specifications, and estimated cost. The Chairperson then closed the hearing. A motion was made by Ms. Munns and seconded by Mr. Gillette to resolve to adopt the form of contract, plans and specifications, and estimated cost.

Bids for the 2023 Des Moines Water Main Replacement – Contract 5 project were analyzed. There was a motion for resolution to award the contract, and authorize the CEO and General manager to execute the contract with On Track Construction, LLC. Upon the vote, the motion for resolution was adopted, with each member of the Board identified as present voting in favor of the motion. The Board awarded the 2023 Des Moines Water Main Replacement – Contract 5 project to On Track Construction, LLC for \$2,425,522.00. The Chairperson and CEO and General Manager were authorized to execute the contract.

#### 2024 Polk County Water Main Replacement – Contract 2

In August 2024, the Board of Water Works Trustees authorized staff to solicit bids for the 2024 Polk County Water Main Replacement-Contract 2 project, with the public hearing scheduled for the September 2024 Board meeting. The project includes the installation of 450 feet of 8-inch ductile iron water main at 5325 NE 14th St, along with the replacement of a dolly pad and a section of the asphalt parking lot damaged by previous water main breaks. Six bids were received on September 17, 2024, with On Track Construction, LLC submitting the lowest bid of \$244,470, below the engineer's estimate of \$290,000. Given their successful history with Des Moines Water Works, staff recommends awarding the contract to On Track Construction, LLC.

Chairperson opened the Public Hearing for comments regarding the form of contract, plans and specifications, and estimated cost. The Chairperson then closed the hearing. A motion was made by Ms. Huppert and seconded by Ms. Munns to resolve to adopt the form of contract, plans and specifications, and estimated cost.

Bids for the 2024 Polk County Water Main Replacement – Contract 2 project were analyzed. There was a motion for resolution to award the contract, and authorize the CEO and General manager to execute the contract with On Track Construction, LLC. Upon the vote, the motion for resolution was adopted, with each member of the Board identified as present voting in favor of the motion. The Board awarded the 2024 Polk County Water Main Replacement – Contract 2 project to On Track Construction, LLC for \$244,470. The Chairperson and CEO and General Manager were authorized to execute the contract.

#### Board Committee Reports

The following reports were provided:

- Special Board Meeting and Planning Committee Meeting – Meeting was held on September 3, 2024, as reflected in the minutes thereof. Ms. Huppert gave a brief summary of the meeting.
- Finance and Audit Committee Meeting – Meeting was held on September 10, 2024, as reflected in the minutes thereof. Mr. Davis gave a brief summary of the meeting.

- Greater Des Moines Botanical Garden – Mr. Gillette indicated that there is nothing new to report at this time.
- Des Moines Water Works Park Foundation –Andrea Boulton briefly shared about the new DMWWPF Executive Director the events and she and Kyle Danley discussed the Slipknot concert.

#### CEO and General Manager's Comments

Mr. Corrigan reviewed two key updates. The first, from the September 17, 2024, the safety report from Field Safety Specialist Dylan White details 6 injuries, 17 accidents (9 of which were preventable), and 14 incidents, including 3 cases of gas line damage. Additionally, there have been 70 near misses, 34 static inspections, and 32 jobsite observations. Des Moines Water Works' two Learning Management Systems (LMS) show high completion rates: Safety Skills, tracking online training for 218 employees, has a 100% completion rate, while NeoGov, focused on in-person training for the same group, shows a 99% completion rate.

The second update, from the September 2024 Community Outreach report, The Des Moines Water Works (DMWW) Community Outreach update for September 2024 highlights several recent events, including a CIWW tour of the McMullen Treatment Plant on September 4, participation in the Polk County Supervisors Welcoming Week proclamation on September 10, and a plant tour and discussion with Tony Chavez from Congressman Zach Nunn's office on September 16. DMWW also took part in Welcoming Week on September 19 by providing a water station, bottles, and tap water information, and participated in the Latino Heritage Festival on September 21 and 22 with a water station and outreach booth. Upcoming events include an EPA visit on September 25, Safety City at Morris Elementary on October 8, the start of the William G. Stowe Citizen Water Academy on October 10, and the Conservation on Tap event at Lua Brewing on October 17.

4:49 pm adjourned

**MINUTES OF MEETING OF PLANNING COMMITTEE  
OF THE BOARD OF WATER WORKS TRUSTEES  
PURSUANT TO NOTICE**

Tuesday, October 8, 2024  
3:30 p.m.

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

Board Members: Mr. Graham Gillette and Ms. Susan Huppert  
Staff Members: Scott Ayres, Caitlin Caldwell, Nathan Casey, Ted Corrigan, Kyle Danley,  
Doug Garnett, Amy Kahler, Jenny Puffer, Melissa Walker, Lindsey  
Wanderscheid, and Mike Zach

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

1. Pilot Testing Update

The Filter Plant Pilot Testing focused on comparing the performance of proposed dual media and existing monomedia sand profiles. The testing aimed to achieve specific goals such as a filtration rate of 4 gpm/sf, turbidity levels below 0.3 NTU for 95% of the time, and a minimum filter run length of 40 hours. The results showed that dual media outperformed monomedia in terms of run time and unit filter volume, with declining rate operation yielding better results than constant rate. However, the addition of anthracite did not significantly improve performance. The next steps include obtaining the final report and recommendations from CDM Smith, submitting these to the Iowa Department of Natural Resources (IDNR) for approval, and incorporating the findings into the filter plant rehabilitation design.

In the Reverse Osmosis (RO) Pilot Testing, new membranes were tested as part of the upcoming 10 MGD expansion to avoid sole sourcing. The current membranes, Dow FilmTec XLE-440, have been effective, but alternative membranes from Toray and Hydranautics were tested to ensure competitive bidding options. The results from both pilots met the water quality goals, including achieving targets for total dissolved solids, hardness, and other contaminants. With IDNR approval of both membranes, the next step will be to proceed with procurement once water availability is confirmed.

Ultrafiltration (UF) Pilot Testing aimed to replace the underperforming Zeeweed submerged membranes with pressurized membranes for improved efficiency and interchangeability. The goals included maintaining a turbidity of less than 0.05 NTU and achieving operational recovery greater than 95%. Various polymeric and ceramic membranes were piloted, and the results were promising. The next steps involve completing the final reports, submitting them to IDNR for approval, and moving forward with procurement once water availability is confirmed.

Overall, all three pilot testing programs met their respective goals, enabling continued progress in the design of both the 10 MGD expansion and the filter plant rehabilitation projects. Special thanks were extended to the Water Plant staff, including operators, mechanics, fabrication shop workers, lab staff, electricians, and supervisors, for their significant contributions.

2. COO's Comments

Kyle Danley provided an update, noting that the annual fire drills were conducted and highlighted the importance of checking smoke detectors during Fire Prevention Week. He remarked on the unusual weather patterns, with a wet period followed by dry conditions, which led to the need to raise the flash boards. Reflecting on customer demand at the end of September, water usage totaled 14.9 billion gallons, the lowest since 2020, but still the fourth highest overall. Despite the severe droughts in recent years, the organization remains on track to meet its budget goals and is in a strong position.

3. Public Comments

There were no comments from the public.

Meeting adjourned at 4:08 pm.

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

Wednesday, October 16, 2024

3:30 p.m.

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

Board Members: Mr. Alec Davis and Ms. Diane Munns

Staff Members: Pat Bruner, Caitlin Caldwell, Nathan Casey, Ted Corrigan, Kyle Danley, Doug Garnett, Amy Kahler, Donna Heckman, Michelle Holland, Jenny Puffer, Laura Sarcone, Melissa Walker, Lindsey Wanderscheid, Michelle Watson, and Mike Zach

Also in attendance: Jack Carra (Assured Partners)

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

1. Corporate Insurance

Jack Carra spoke about the 2025 Corporate Insurance renewals. DMWW is looking at an 18% increase in the first layer of Property & Casualty premiums after last year's 15% hike. This isn't surprising given the surge in property damage claims lately throughout the US. The big concern, though, is Umbrella Liability. It's been driving costs up, and DMWW has had to reduce coverage. He is working to re-market that and find better options.

Across the board, everyone is seeing increases: property premiums are up over 32%, general liability is up 8%, and others like auto and terrorism coverage are rising as well. On the bright side, Cyber Liability costs are down a bit, thanks in part to the IT team's vCISO service. DMWW is still self-insured for Workers Comp and is waiting on the final numbers for that policy. Finance will keep the board updated as they move forward.

2. 2025 Budget, 2025 Cost of Service, & 2025 Water Rates

The October 16, 2024, Finance & Audit Board meeting focused on the 2025 budget, cost of service, and water rates. A theme of change and transition was highlighted, driven by the implementation of a new budget system and restructuring in Central Iowa Water Works (CIWW). The budget for pumpage remains unchanged at 18.2 billion gallons, with water revenue adjusted to \$57.2 million due to a reassignment of \$31.6 million in wholesale revenue to CIWW. Retail customers will experience a 7% rate increase, alongside rate restructuring for residential and wholesale classes.

Operating expenses for 2025 are projected at \$62.1 million, a 2.1% increase from 2024, primarily due to labor and benefit increases. Capital expenses were set at \$50.5 million, including significant projects such as water main replacements, aquifer storage, and recovery wells, and joint capital initiatives on behalf of CIWW.

Staffing increases for 2025 include additional positions across various departments to support ongoing projects and customer service. The board also discussed inclining block rates for residential customers and new wholesale water rates, with an emphasis on certifying rate

sufficiency for CIWW. The next steps include public hearings on the budget and rate approval at the upcoming October Board meeting.

3. CFO's Comments

Amy Kahler mentioned that she would keep her remarks brief. On October 16th, the Lead Service Line Inventory are due to be submitted to the Iowa Department of Natural Resources (DNR) and the Environmental Protection Agency (EPA). A cross-functional team within the utility has been working on this project for several years, and Jenny Puffer, Water Distribution Director, confirmed that the inventory was officially submitted today.

The inventory includes approximately 94,000 service lines: 8,000 are identified as lead, 10,000 are galvanized, 47,000 are unknown, and 39,000 are confirmed as not lead.

The next step is to send out 55,000 letters within 30 days to all customers with lead, galvanized, or unknown service lines. A designated staff member will be handling calls from customers as they begin receiving these letters.

4. Public Comments

There were no comments from the public.

Meeting adjourned at 5:00 pm.

**DES MOINES WATER WORKS  
FINANCIAL STATEMENT COMMENTS  
FOR THE MONTH ENDED SEPTEMBER, 2024**

<b>STATEMENT OF NET POSITION</b>
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Below are summaries of financial position and activity for the month of September 2024:

**Summary Net Position (in millions)**

	<b>Sep 30, 2024</b>	<b>Dec 31, 2023</b>
Cash	\$15.9	\$20.4
Invested Cash	50.0	43.4
Accounts Receivable	14.3	13.5
Operating Reserves	15.8	15.3
Other Assets	12.3	9.3
Fixed Assets	641.3	640.5
Accum Depreciation/Amortization	<u>(250.6)</u>	<u>(242.1)</u>
Net Fixed Assets	390.7	398.4
Construction in Progress	<u>41.5</u>	<u>17.5</u>
Total Assets	<u>540.5</u>	<u>517.8</u>
Deferred Outflows of Resources	9.6	9.6
<b>Total Assets &amp; Deferred Outflows of Resources</b>	<b><u>550.0</u></b>	<b><u>527.4</u></b>
Current Liabilities	12.8	17.3
Long-Term Liabilities	33.3	31.7
Other Liabilities	<u>2.2</u>	<u>2.1</u>
Total Liabilities	48.4	51.1
Deferred Inflows of Resources	8.3	8.3
Net Position	<u>493.3</u>	<u>468.0</u>
<b>Total Liabilities, Deferred Inflows of Resources &amp; Net Position</b>	<b><u>550.0</u></b>	<b><u>527.4</u></b>

The deferred inflows and deferred outflows of resources are composed of the differences between actual and expected experience of different components of the pension plan related to future reporting periods. These differences are measured each year and then recognized in pension expense over multiple future reporting periods depending on the nature of the difference (e.g., investment returns, demographic experience, assumption changes, etc.). Deferred outflow of resources is a consumption of net assets applicable to a future reporting period. Deferred inflow of resources is an acquisition of net assets applicable to a future reporting period.

## STATEMENT OF EARNINGS

Summary information from the Statement of Earnings is as follows:

	September 2024	Year to date 2024	Year to date 2023
<b>Operating Revenue</b>	9.8 million	73.2 million	71.9 million
<b>Operating Expenses</b>	5.2 million	50.5 million	49.7 million
<b>Other Income (Expense)</b>	0.2 million	2.6 million	1.6 million
<b>Net Earnings</b>	4.8 million	25.3 million	23.7 million

The table below summarizes expenses for the period-to-date ended September 2024 and 2023:

### OPERATING EXPENSES

For the Period Ending September 30, 2024 and September 30, 2023

	YTD September 2024	% of Total	YTD September 2023	% of Total
Labor	\$ 14,017,872	32%	\$ 12,877,148	31%
Benefits	7,349,684	17%	6,646,112	16%
Purchased Services	7,852,837	18%	6,287,849	15%
Materials and Equipment	3,776,723	9%	4,022,906	10%
Chemicals	6,007,047	14%	6,681,229	16%
Utilities/Telephone	2,731,671	6%	2,759,830	7%
Insurance	1,630,712	4%	1,502,965	4%
Postage	336,475	1%	324,266	1%
Other	395,207	1%	423,454	1%
	\$ 44,098,228	100%	\$ 41,525,759	100%

## PROJECT EXPENSES

Total expenditures for operating projects through September 2024 were approximately \$44.1 million or 72.4% of the operating budget. Overall expenditures on capital projects were approximately \$25.1 million or 36% of the capital budget.

**DES MOINES WATER WORKS**  
**PRELIMINARY Statement of Net Position**  
For the Period Ending September 30, 2024 and December 31, 2023

	2024	2023	CHANGE
<b>ASSETS</b>			
<b>Cash</b>			
Petty Cash	\$ 1,901	\$ 1,900	
Interest Bearing Cash	15,920,172	20,403,252	
Total	<u>\$ 15,922,073</u>	<u>\$ 20,405,152</u>	\$ (4,483,080)
<b>Invested Cash</b>			
Invested Money Market	\$ 4,446,166	\$ 593,644	
Invested U.S. Government Securities	45,536,568	42,830,471	
Total	<u>\$ 49,982,734</u>	<u>\$ 43,424,115</u>	\$ 6,558,619
<b>Accounts Receivable</b>			
Accounts Receivable	\$ 11,025,107	\$ 10,185,514	
Accounts Receivable Unbilled	3,163,862	3,163,862	
Accrued Interest Receivable	105,522	180,466	
Total	<u>\$ 14,294,492</u>	<u>\$ 13,529,843</u>	\$ 764,649
<b>Board Designated Reserves</b>			
<b>Operating</b>			
Op Reserves Money Market	\$ 960,589	\$ 102,852	
Op Reserves U.S. Government Securities	14,868,115	15,159,977	
Total	<u>\$ 15,828,705</u>	<u>\$ 15,262,829</u>	\$ 565,876
<b>Other Assets</b>			
Materials in Stock Accounts	\$ 5,125,415	\$ 4,765,984	
Water Receivable Long-Term	370,335	291,870	
Lease Receivable	900,352	900,352	
Iowa Motor Fuel Tax Receivable	14,912	20,955	
Prepaid Insurance	206,748	1,140,619	
Prepaid Expense	5,569,520	2,154,487	
Accum Unrealized Gain/(Loss) Invest	73,923	46,299	
Total	<u>\$ 12,261,205</u>	<u>\$ 9,320,564</u>	\$ 2,940,641

**DES MOINES WATER WORKS**  
**PRELIMINARY Statement of Net Position**  
For the Period Ending September 30, 2024 and December 31, 2023

	2024	2023	CHANGE
<b>ASSETS-CONTINUED</b>			
<b>Fixed Assets</b>			
Land & Right of Way	\$ 8,208,369	\$ 8,208,369	
Structures and Machinery	180,744,752	180,744,752	
Water Supply System	63,945,821	63,945,821	
Urbandale Booster System	509,687	509,687	
Pipelines	311,013,202	310,192,734	
Meters	35,198,765	35,198,765	
Laboratory Equipment	857,261	857,261	
Distribution Equipment	1,881,318	1,881,318	
Mobile Equipment	4,677,502	4,677,502	
Vehicles	3,465,711	3,465,711	
Office Equipment	1,346,166	1,346,166	
MIS Equipment	27,815,435	27,815,435	
Intangible Right-to-use Asset	193,390	193,390	
IT Subscription Asset	1,433,101	1,433,101	
Total	<u>\$ 641,290,480</u>	<u>\$ 640,470,012</u>	
Accumulated Depreciation/Amortization	(250,551,163)	(242,060,154)	
Construction in Progress	\$ 41,452,109	\$ 17,474,531	
Total Fixed Assets	\$ 432,191,426	\$ 415,884,389	\$ 16,307,036
<b>TOTAL ASSETS</b>	<b>\$ 540,480,634</b>	<b>\$ 517,826,892</b>	<b>\$ 22,653,742</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Def Outflows Pension Related Amounts	\$ 9,550,043	\$ 9,550,043	
Total	<u>\$ 9,550,043</u>	<u>\$ 9,550,043</u>	\$ -
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>\$ 550,030,676</u></b>	<b><u>\$ 527,376,935</u></b>	<b>\$ 22,653,741</b>

**DES MOINES WATER WORKS**  
**PRELIMINARY Statement of Net Position**  
For the Period Ending September 30, 2024 and December 31, 2023

	2024	2023	CHANGE
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 1,027,374	\$ 3,054,102	
Construction Payables	4,663,727	6,890,258	
Salaries and Wages Payable	958,499	1,125,805	
Accrued Leave	3,710,417	3,710,417	
State Tax Payable	458,942	362,777	
Work Comp Reserves	584,848	584,848	
Fees Collected for Other Entities	1,414,831	1,563,890	
Unclaimed Refunds	26,740	10,291	
Total	<u>\$ 12,845,378</u>	<u>\$ 17,302,388</u>	\$ (4,457,011)
<b>Long Term Liabilities</b>			
SRF Loan Payable	\$ 1,922,821	\$ 230,799	
IT Subscripton Liability	536,189.43	536,189.43	
Pension Liability	15,661,823	15,661,823	
Other Post-Employment Benefit Liability	15,106,065	15,106,065	
Lease Liability	115,913	115,913	
Total	<u>\$ 33,342,812</u>	<u>\$ 31,650,789</u>	\$ 1,692,023
<b>Other Liabilities</b>			
Deposits by Consumers	\$ 2,195,452	\$ 2,113,477	
Project H2O	25,884	7,216	
Miscellaneous Liabilities	4,359	4,359	
Total	<u>\$ 2,225,695</u>	<u>\$ 2,125,052</u>	\$ 100,642
<b>TOTAL LIABILITIES</b>	<b>\$ 48,413,884</b>	<b>\$ 51,078,230</b>	<b>\$ (2,664,346)</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Def Inflows Pension Related Amounts	\$ 636,984	\$ 636,984	
Def Inflows Other Post-Employment Benefit Amounts	6,808,881	6,808,881	
Deferred Inflows Lease Amounts	865,678	865,678	
Total	<u>\$ 8,311,543</u>	<u>\$ 8,311,543</u>	\$ -
<b>NET POSITION</b>	<b>\$ 493,305,249</b>	<b>\$ 467,987,163</b>	<b>\$ 25,318,086</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; NET POSITION</b>	<b><u>\$ 550,030,676</u></b>	<b><u>\$ 527,376,935</u></b>	<b>\$ 22,653,741</b>

**Des Moines Water Works**  
**PRELIMINARY Statement of Earnings and Retained Earnings**  
**For the Month Ended September 30, 2024, the Nine Months Ending September 30, 2024**  
**and the Nine Months Ending September 30, 2023**

	Current Month 2024	Year-to-Date 2024	Annual Budget 2024 2024	Actual vs. Budget Variance	Year-to-Date 2023	Year-To-Date Current vs. Prior Year
<b>OPERATING REVENUE</b>						
Water Sales	\$ 8,850,167	\$ 67,927,205	\$ 84,732,844	\$ (16,805,639)	\$ 67,243,181	\$ 684,024
Sewer Services - Runnells	7,916	72,295	80,419	(8,124)	71,008	1,287
Late Fees	47,207	384,344	450,000	(65,656)	353,842	30,503
Other Sales and Services	570,461	2,237,391	3,258,216	(1,020,825)	1,944,222	293,169
Billing Services Revenue	198,059	1,480,628	2,215,000	(734,372)	1,427,160	53,468
Land Use Revenue	-	165,933	216,000	(50,067)	160,918	5,015
Connection Fees	105,245	961,646	600,000	361,646	655,650	305,996
Cash Discount and Refunds	(6,589)	(5,049)	-	(5,049)	(1,807)	(3,241)
Total Operating Revenues	<b>\$ 9,772,465</b>	<b>\$ 73,224,393</b>	<b>\$ 91,552,479</b>	<b>\$ (18,328,086)</b>	<b>\$ 71,854,173</b>	<b>\$ 1,370,220</b>
<b>OPERATING EXPENSES</b>						
Labor	\$ 1,612,889	\$ 14,017,872	\$ 18,608,927	\$ 4,591,055	\$ 12,877,148	\$ (1,140,725)
Benefits	369,639	3,431,938	4,607,570	1,175,632	3,102,018	(329,920)
Retirement Benefits	402,700	3,917,746	5,130,100	1,212,354	3,544,094	(373,653)
Postage	58,768	336,475	425,000	88,525	324,266	(12,208)
Telephone	36,506	268,445	308,628	40,183	225,463	(42,982)
Insurance	(18,494)	1,630,712	1,830,200	199,488	1,502,965	(127,747)
Casualty Loss	4,501	82,781	110,000	27,219	33,518	(49,263)
Loss on Bad Accounts	(452)	(21,792)	150,000	171,792	(14,395)	7,397
Purchased Services	499,318	7,852,837	11,194,956	3,342,119	6,287,849	(1,564,989)
Training	15,091	113,421	290,275	176,854	171,590	58,169
Materials and Equipment	446,051	3,776,723	4,472,000	695,277	4,022,906	246,184
Chemicals	654,241	6,007,047	9,887,667	3,880,620	6,681,229	674,182
Utilities	392,134	2,463,226	3,556,686	1,093,460	2,534,367	71,141
Gasoline/Fuel	28,594	220,796	304,232	83,436	232,740	11,944
Total Operating Expense	<b>\$ 4,501,485</b>	<b>\$ 44,098,228</b>	<b>\$ 60,876,241</b>	<b>\$ 16,778,013</b>	<b>\$ 41,525,759</b>	<b>\$ (2,572,469)</b>
Depreciation & Amort Expense	\$ 940,458	\$ 8,491,009	\$ 13,489,080	\$ 4,998,071	\$ 10,155,791	\$ 1,664,782
Overhead Transfer to Capital	(236,260)	(2,128,382)	-	2,128,382	(1,972,214)	156,168
Total Depreciation and Overhead Transfer to Capital	<b>\$ 704,198</b>	<b>\$ 6,362,627</b>	<b>\$ 13,489,080</b>	<b>\$ 7,126,453</b>	<b>\$ 8,183,577</b>	<b>\$ 1,820,950</b>
Net Income from Operations	<b>\$ 4,566,782</b>	<b>\$ 22,763,538</b>	<b>\$ 17,187,158</b>	<b>\$ 5,576,380</b>	<b>\$ 22,144,837</b>	<b>\$ 618,701</b>
Investment Income	\$ 113,912	\$ 1,117,522	\$ 260,000	\$ 857,522	\$ 308,053	\$ 809,469
Net Change - Investment Values	126,302	1,436,963	-	1,436,963	1,263,764	173,198
Interest Income / Expense	7	63	-	63	-	63
Other Income (Expense), net	\$ 240,220	\$ 2,554,548	\$ 260,000	\$ 2,294,548	\$ 1,583,225	\$ 971,323
Change in Net Earnings	<b>\$ 4,807,002</b>	<b>\$ 25,318,086</b>	<b>\$ 17,447,158</b>	<b>\$ 7,870,928</b>	<b>\$ 23,728,063</b>	<b>\$ 1,590,023</b>
Net Position, January 1		<b>\$ 467,987,163</b>			<b>\$ 430,652,138</b>	
Ending Net Position		<b>\$ 493,305,249</b>			<b>\$ 467,987,163</b>	

**DES MOINES WATER WORKS  
STATEMENT OF INVESTMENT CHANGES  
FOR THE MONTH ENDED SEPTEMBER 30, 2024**

**INVESTED RESERVES**

	Balance at 8/31/2024	Additions	Deductions	Balance at 9/30/2024
<b>Operating</b>				
Cash on Hand	\$941,900	18,689	-	\$960,589
U.S. Government Securities	\$14,831,080	37,035	-	\$14,868,115
Total Invested Reserves	<u>\$15,772,981</u>	<u>\$55,724</u>	<u>\$0</u>	<u>\$15,828,705</u>

The estimated annual yield at market for 9/30/2024 was 2.24%

**INVESTED OPERATING CASH**

	Balance at 8/31/2024	Additions	Deductions	Balance at 9/30/2024
<b>Operating</b>				
Cash on Hand	\$4,434,530	106,408	94,772	\$4,446,166
U.S. Government Securities	\$45,449,278	104,015	16,725	45,536,568
Total Invested Reserves	<u>\$49,883,808</u>	<u>210,423</u>	<u>\$111,497</u>	<u>\$49,982,734</u>

The estimated annual yield at market for 9/30/2024 was 1.93%

**DES MOINES WATER WORKS  
STATEMENT OF INVESTMENT CHANGES  
YEAR TO DATE 2024**

**PENSION FUND**

	Balance 1/1/2024	Transfers, Expenses & Deposits	Benefit Payments	Investment Return	Balance at 9/30/2024	YTD % Return
<b>Fixed Income</b>						
Mellon Capital Mgmt - Bond Market Index	6,256,626	1,283,806	(3,076,228)	181,118	4,645,320	0.89%
Neuberger Berman / Mellon / DDJ - High Yield I	2,199,792	28,221	(8,665)	162,990	2,382,339	4.60%
Principal Global Investors - Income	18,795,396	754,583		910,530	20,460,508	1.85%
<b>Large U.S. Equity</b>						
Principal Global Investors - Equity Income	6,722,187	(2,953,103)		844,959	4,614,042	12.75%
Principal Global Investors - Large Cap S&P 500 Index	2,838,535	2,527,508		900,400	6,266,443	14.65%
T. Rowe Price / Brown Advisory - Large Cap Growth	6,682,658	52,209	(3,258,185)	1,051,300	4,527,982	17.75%
<b>Small/Mid U.S. Equity</b>						
Robert Baird / Eagle Asset Mgmt - Mid Cap Growth III	995,943	799,802		27,054	1,822,800	-2.27%
DFA / Vaughan Nelson / LA Capital - Small Cap Value II	505,996	504,663		56,750	1,067,409	11.10%
AB / Brown / Emerald - Small Cap Growth I	501,449	485,611		102,543	1,089,603	9.23%
LA Capital Mgmt / Victory - Mid Cap Value I	986,641	798,326		204,978	1,989,944	9.47%
<b>International Equity</b>						
Causeway / Barrow Hanley - Overseas	2,162,597	16,527		231,261	2,410,385	5.34%
Principal Global Investors - Diversified International	4,745,705	59,970	(357,161)	647,040	5,095,555	10.10%
Origin Asset Management LLP - Origin Emerging Markets	1,449,479	(57,709)		197,767	1,589,537	10.29%
<b>Total Principal Financial</b>	<b>\$ 54,843,003</b>	<b>\$ 4,300,413</b>	<b>\$ (6,700,238)</b>	<b>\$ 5,518,690</b>	<b>\$ 57,961,868</b>	<b>10.31%</b>

DES MOINES WATER WORKS  
Project Costs by Department - Summary  
Year to Date ended September 30, 202  
75% of Year Completed

	YTD Actual	Yearly Budget 2024	Budget Adjustment / Carry Over	Net Yearly 2024 Budget	Variance	% of Budget
<b>Operating</b>						
Office of the CEO/General Manager	\$1,848,654	\$2,380,719	\$0	\$2,380,719	\$532,065	78%
Customer Service	\$4,252,571	\$6,080,019	\$0	\$6,080,019	\$1,827,448	70%
Engineering	\$1,915,166	\$1,819,112	\$0	\$1,819,112	(\$96,054)	105%
Finance	\$4,842,398	\$6,628,665	(\$272,800)	\$6,355,865	\$1,513,467	76%
Human Resources	\$1,652,432	\$1,399,513	\$272,800	\$1,672,313	\$19,881	99%
Information Technology	\$2,750,701	\$3,573,052	\$0	\$3,573,052	\$822,351	77%
Office of the Chief Operating Officer	\$1,865,580	\$2,841,314	\$0	\$2,841,314	\$975,734	66%
Water Distribution	\$7,029,355	\$8,650,289	\$0	\$8,650,289	\$1,620,934	81%
Water Production	\$17,941,372	\$27,503,557	\$0	\$27,503,557	\$9,562,185	65%
<b>Total Operating</b>	<b>\$44,098,228</b>	<b>\$60,876,240</b>	<b>\$0</b>	<b>\$60,876,240</b>	<b>\$16,778,011</b>	<b>72.4%</b>
<b>Capital</b>						
Customer Service	\$1,303,332	\$1,818,921	\$236,000	\$2,054,921	\$751,589	63%
Engineering	\$20,237,707	\$62,002,528	\$17,262,900	\$79,265,428	\$59,027,720	26%
Finance	\$7,158	\$0	\$0	\$0	(\$7,158)	No Budget
Information Technology	\$443,780	\$1,172,296	\$0	\$1,172,296	\$728,516	38%
Office of the Chief Operating Officer	\$11,435	\$297,000	\$0	\$297,000	\$285,565	4%
Water Distribution	\$1,108,291	\$1,502,800	\$0	\$1,502,800	\$394,509	74%
Water Production	\$2,067,316	\$2,606,600	\$70,000	\$2,676,600	\$609,284	77%
<b>Total Capital</b>	<b>\$25,179,019</b>	<b>\$69,400,145</b>	<b>\$17,568,900</b>	<b>\$86,969,045</b>	<b>\$61,790,025</b>	<b>29%</b>
<b>Total Project Costs</b>	<b>\$69,277,247</b>	<b>\$130,276,385</b>	<b>\$17,568,900</b>	<b>\$147,845,285</b>	<b>\$78,568,036</b>	<b>47%</b>

DES MOINES WATER WORKS  
 Project Costs by Department - Summary  
 Year to Date ended September 30, 2024  
 75% of Year Completed

**Office of the CEO/General Manager**

		<b>YTD Actual</b>	<b>Yearly Budget 2024</b>	<b>Budget Adjustment / Carry Over</b>	<b>Net Yearly 2024 Budget</b>	<b>Variance</b>	<b>% of Budget</b>
Operating							
950-200	New Business, Community & Economic Dev	\$54,021	\$77,722	\$0	\$77,722	\$23,701	70%
996-001	CEO Department Administration	\$402,230	\$515,340	\$0	\$515,340	\$113,110	78%
996-030	Board Activities	\$1,024,926	\$1,287,747	\$0	\$1,287,747	\$262,821	80%
996-200	Business Strategies	\$122,573	\$197,162	\$0	\$197,162	\$74,589	62%
996-210	Project Management	\$86,112	\$52,376	\$0	\$52,376	(\$33,736)	164%
996-010	Public Policy - WS Advocate	\$158,792	\$250,372	\$0	\$250,372	\$91,580	63%
	<b>Total Operating</b>	<b>\$1,848,654</b>	<b>\$2,380,719</b>	<b>\$0</b>	<b>\$2,380,720</b>	<b>\$532,065</b>	<b>78%</b>
<b>Total Office of CEO/General Manager</b>		<b>\$1,848,654</b>	<b>\$2,380,719</b>	<b>\$0</b>	<b>\$2,380,720</b>	<b>\$532,065</b>	<b>78%</b>

DES MOINES WATER WORKS  
 Project Costs by Department - Summary  
 Year to Date ended September 30, 2024  
 75% of Year Completed

**Customer Service**

		YTD Actual	Yearly Budget 2024	Budget Adjustment / Carry Over	Net Yearly 2024 Budget	Variance	% of Budget
Operating							
950-001	Customer Service Admin	\$1,840,109	\$2,684,268	\$0	\$2,684,268	\$844,159	69%
950-100	CS Contact Ctr and Data Quality	\$689,596	\$905,849	\$0	\$905,849	\$216,253	76%
950-300	Public Relations and Communication	\$138,118	\$203,428	\$0	\$203,428	\$65,310	68%
950-500	CS Collections and Dispatch	\$341,363	\$789,575	\$0	\$789,575	\$448,212	43%
950-600	Field CS and Water Quality	\$1,243,386	\$1,496,898	\$0	\$1,496,898	\$253,512	83%
	<b>Total Operating</b>	<b>\$4,252,571</b>	<b>\$6,080,019</b>	<b>\$0</b>	<b>\$6,080,019</b>	<b>\$1,827,447</b>	<b>70%</b>
Capital							
955-060	Field Customer Service Capital	\$1,289,645	\$1,818,921	\$236,000	\$2,054,921	\$765,276	63%
925-160	Radio Frequency - Capital	\$13,687	\$0	\$0	\$0	(\$13,687)	No Budget
	<b>Total Capital</b>	<b>\$1,303,332</b>	<b>\$1,818,921</b>	<b>\$236,000</b>	<b>\$2,054,921</b>	<b>\$751,589</b>	<b>63%</b>
<b>Total Customer Service</b>		<b>\$5,555,903</b>	<b>\$7,898,940</b>	<b>\$236,000</b>	<b>\$8,134,940</b>	<b>\$2,579,036</b>	<b>68%</b>

DES MOINES WATER WORKS  
Project Costs by Department - Summary  
Year to Date ended September 30, 2024  
75% of Year Completed

**Engineering**

		YTD Actual	Yearly Budget 2024	Budget Adjustment / Carry Over	Net Yearly 2024 Budget	Variance	% of Budget
Operating							
940-001	Engineering Dept Administration	\$1,838,266	\$1,752,442	\$0	\$1,752,442	(\$85,824)	105%
940-010	Engineering Studies	\$76,900	\$66,669	\$0	\$66,669	(\$10,231)	115%
Total Operating		\$1,915,166	\$1,819,112	\$0	\$1,819,112	(\$96,055)	105%
Capital							
945-010	Facility Management	\$5,366,626	\$11,937,149	\$2,029,000	\$13,966,149	\$8,599,523	38%
945-012	New ASR Well	\$588,535	\$3,344,754	\$3,299,400	\$6,644,154	\$6,055,619	9%
945-080	WMR - Des Moines	\$6,623,344	\$9,722,447	\$7,405,000	\$17,127,447	\$10,504,103	39%
945-090	WMR - Polk County	\$261,899	\$3,706,688	\$2,188,000	\$5,894,688	\$5,632,789	4%
945-095	WMR - Windsor Heights	\$75,654	\$628,939	\$169,000	\$797,939	\$722,285	9%
945-100	WMR - Pleasant Hill	\$13,586	\$622,579	\$300,000	\$922,579	\$908,993	1%
945-120	WMR - Cumming	\$580	\$0	\$0	\$0	(\$580)	No Budget
945-200	Development Plan Review & Inspection	\$397,700	\$484,058	\$0	\$484,058	\$86,358	82%
945-210	Core Network Feeder Mains	\$3,690,347	\$11,017,761	\$0	\$11,017,761	\$7,327,414	33%
945-220	Fleur Drive Treatment Plant	\$1,310,968	\$9,586,236	\$1,457,500	\$11,043,736	\$9,732,768	12%
945-225	McMullen Water Treatment Plant	\$839,516	\$2,202,680	\$415,000	\$2,617,680	\$1,778,164	32%
945-228	Saylorville Water Treatment Plant	\$924,009	\$8,388,312	\$0	\$8,388,312	\$7,464,303	11%
945-230	Remote Facilities - Pumping & Storage	\$140,002	\$360,924	\$0	\$360,924	\$220,922	39%
945-235	Joint NW Storage, PS and Feeder Mains	\$193	\$0	\$0	\$0	(\$193)	No Budget
945-245	Joint SW Storage, PS and Feeder Mains	\$4,749	\$0	\$0	\$0	(\$4,749)	No Budget
Total Capital		\$20,237,707	\$62,002,528	\$17,262,900	\$79,265,428	\$59,027,720	26%
Total Engineering		\$22,152,874	\$63,821,640	\$17,262,900	\$81,084,540	\$58,931,664	27%

DES MOINES WATER WORKS  
Project Costs by Department - Summary  
Year to Date ended September 30, 2024  
75% of Year Completed

**Finance**

		YTD Actual	Yearly Budget 2024	Budget Adjustment / Carry Over	Net Yearly 2024 Budget	Variance	% of Budget
<b>Operating</b>							
930-001	Finance Dept Administration	\$732,897	\$994,537	(\$272,800)	\$721,737	(\$11,160)	102%
930-010	Financial Services	\$1,488,909	\$2,157,299	\$0	\$2,157,299	\$668,390	69%
930-090	Purchasing	\$53,591	\$114,921	\$0	\$114,921	\$61,330	47%
950-410	A/R Management	662,402.59	\$1,009,409	\$0	\$1,009,409	\$347,006	66%
970-010	Central Stores	\$97,397	\$182,607	\$0	\$182,607	\$85,210	53%
970-110	Facility Maintenance	\$445,942	\$810,567	\$0	\$810,567	\$364,625	55%
970-500	GDMBG Operations and Maintenance	\$50,000	\$50,000	\$0	\$50,000	\$0	100%
	<b>Department Operating</b>	<b>\$3,531,139</b>	<b>\$5,319,341</b>	<b>(\$272,800)</b>	<b>\$5,046,541</b>	<b>\$1,515,401</b>	<b>70%</b>
930-010	Financial Services - PILOT	\$1,309,324	\$1,309,324	\$0	\$1,309,324	\$0	100%
933-010	Financial Services - CIWW	\$1,935					
	<b>Total Operating</b>	<b>\$4,842,398</b>	<b>\$6,628,665</b>	<b>(\$272,800)</b>	<b>\$6,355,865</b>	<b>\$1,515,401</b>	<b>76%</b>
<b>Capital</b>							
955-090	Facility Improvements	\$7,158	\$0	\$0	\$0	(\$7,158)	No Budget
	<b>Total Capital</b>	<b>\$7,158</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$7,158)</b>	<b>No Budget</b>
<b>Total Finance</b>		<b>\$4,849,556</b>	<b>\$6,628,665</b>	<b>(\$272,800)</b>	<b>\$6,355,865</b>	<b>\$1,508,243</b>	<b>76%</b>

DES MOINES WATER WORKS  
 Project Costs by Department - Summary  
 Year to Date ended September 30, 2024  
 75% of Year Completed

**Human Resources**

		YTD Actual	Yearly Budget 2024	Budget Adjustment / Carry Over	Net Yearly 2024 Budget	Variance	% of Budget
Operating							
910-001	HR Administration	\$525,805	\$371,480	\$272,800	\$644,280	\$118,475	82%
910-010	Employee Relations	\$181,560	\$291,232	\$0	\$291,232	\$109,672	62%
910-060	Employment	\$65,856	\$136,660	\$0	\$136,660	\$70,804	48%
910-110	Compensation/Benefits	\$88,522	\$180,719	\$0	\$180,719	\$92,197	49%
910-150	Employee Learning & Growth	\$9,287	\$69,421	\$0	\$69,421	\$60,134	13%
	Department Operating	\$871,031	\$1,049,513	\$272,800	\$1,322,313	\$451,281	66%
910-020	Workers' Compensation	\$781,401	\$350,000	\$0	\$350,000	(\$431,401)	223%
	Total Operating	\$1,652,432	\$1,399,513	\$272,800	\$1,672,313	\$19,880	99%
Total Human Resources		\$871,031	\$1,049,513	\$272,800	\$1,322,313	\$451,281	66%

DES MOINES WATER WORKS  
 Project Costs by Department - Summary  
 Year to Date ended September 30, 2024  
 75% of Year Completed

**Information Technology**

		YTD Actual	Yearly Budget 2024	Budget Adjustment / Carry Over	Net Yearly 2024 Budget	Variance	% of Budget
Operating							
920-001	IT Administration	\$690,509	\$858,406	\$0	\$858,406	\$167,897	80%
920-160	Technical Services	\$239,612	\$204,751	\$0	\$204,751	(\$34,861)	117%
920-240	IT Development	\$24,461	\$97,663	\$0	\$97,663	\$73,202	25%
920-250	IT Services	\$935,733	\$1,320,453	\$0	\$1,320,453	\$384,720	71%
920-350	System Services	\$860,387	\$1,091,778	\$0	\$1,091,778	\$231,391	79%
	Total Operating	\$2,750,701	\$3,573,052	\$0	\$3,573,052	\$822,350	77%
Capital							
925-010	Info Systems Capital	\$443,780	\$1,172,296	\$0	\$1,172,296	\$728,516	38%
	Total Capital	\$443,780	\$1,172,296	\$0	\$1,172,296	\$728,516	38%
Total Information Technology		\$3,194,480	\$4,745,348	\$0	\$4,745,348	\$1,550,867	67%

DES MOINES WATER WORKS  
 Project Costs by Department - Summary  
 Year to Date ended September 30, 2024  
 75% of Year Completed

**Office of the Chief Operating Officer**

		YTD Actual	Yearly Budget 2024	Budget Adjustment / Carry Over	Net Yearly 2024 Budget	Variance	% of Budget
Operating							
993-000	OCOO Department Administration	\$488,269	\$798,327	\$0	\$798,327	\$310,058	61%
960-510	Risk / Incident Management	\$694,974	\$923,955	\$0	\$923,955	\$228,981	75%
910-240	Safety	\$135,235	\$299,188	\$0	\$299,188	\$163,953	45%
970-060	Grounds Maintenance	\$546,567	\$819,843	\$0	\$819,843	\$273,276	67%
	Department Operating	\$1,865,044	\$2,841,313	\$0	\$2,841,313	\$976,269	66%
960-511	Flood Response & Repairs	\$537	\$0	\$0	\$0	(\$537)	No Budget
	Total Operating	\$1,865,580	\$2,841,314	\$0	\$2,841,314	\$975,733	66%
Capital							
975-005	Grounds Capital	\$11,435	\$297,000	\$0	\$297,000	\$285,565	4%
	Total Capital	\$11,435	\$297,000	\$0	\$297,000	\$285,565	4%
Total Office of the COO		\$1,877,015	\$3,138,314	\$0	\$3,138,314	\$1,261,298	60%

DES MOINES WATER WORKS  
 Project Costs by Department - Summary  
 Year to Date ended September 30, 2024  
 75% of Year Completed

**Water Distribution**

		YTD Actual	Yearly Budget 2024	Budget Adjustment / Carry Over	Net Yearly 2024 Budget	Variance	% of Budget
Operating							
960-010	Distribution Administration	\$2,331,727	\$3,129,710	\$0	\$3,129,710	\$797,983	75%
960-100	Distribution System Maint/Repairs	\$2,646,857	\$3,403,219	\$0	\$3,403,219	\$756,362	78%
960-160	Distribution Support	\$818,963	\$489,625	\$0	\$489,625	(\$329,338)	167%
960-180	Leak Detection and Locating	\$638,960	\$769,479	\$0	\$769,479	\$130,519	83%
960-250	Distribution Billed Services	\$592,848	\$858,255	\$0	\$858,255	\$265,407	69%
	<b>Total Operating</b>	<b>\$7,029,355</b>	<b>\$8,650,289</b>	<b>\$0</b>	<b>\$8,650,289</b>	<b>\$1,620,933</b>	<b>81%</b>
Capital							
965-010	Distribution System Improvements	\$1,048,578	\$1,430,900	\$0	\$1,430,900	\$382,322	73%
965-025	Dist Billed Services Capital	\$19,181	\$17,500	\$0	\$17,500	(\$1,681)	110%
965-200	Leak Detection Equipment	\$40,533	\$54,400	\$0	\$54,400	\$13,867	75%
	<b>Total Capital</b>	<b>\$1,108,291</b>	<b>\$1,502,800</b>	<b>\$0</b>	<b>\$1,502,800</b>	<b>\$394,509</b>	<b>74%</b>
<b>Total Water Distribution</b>		<b>\$8,137,646</b>	<b>\$10,153,089</b>	<b>\$0</b>	<b>\$10,153,089</b>	<b>\$2,015,442</b>	<b>80%</b>

DES MOINES WATER WORKS  
Project Costs by Department - Summary  
Year to Date ended September 30, 2024  
75% of Year Completed

**Water Production**

		YTD Actual	Yearly Budget 2024	Budget Adjustment / Carry Over	Net Yearly 2024 Budget	Variance	% of Budget
Operating							
945-010	Facility Management	\$5,366,626					
970-200	Vehicle Maintenance	\$968,843	\$1,314,921	\$0	\$1,314,921	\$346,078	74%
970-360	Communication System Maintenance	\$19,708	\$53,370	\$0	\$53,370	\$33,662	37%
970-450	HVAC Operations & Maintenance	\$107,717	\$146,192	\$0	\$146,192	\$38,475	74%
980-001	Water Production Department Admin	\$3,112,773	\$4,409,898	\$0	\$4,409,898	\$1,297,125	71%
980-010	Water Production Operations	\$906,158	\$1,253,566	\$0	\$1,253,566	\$347,408	72%
980-020	Fleur Drive Chemicals & Energy	\$5,862,301	\$9,408,851	\$0	\$9,408,851	\$3,546,550	62%
980-030	McMullen Treatment Chemicals & Energy	\$1,933,035	\$3,191,823	\$0	\$3,191,823	\$1,258,788	61%
980-040	SWTP Chemical & Energy	\$980,190	\$1,695,439	\$0	\$1,695,439	\$715,249	58%
980-200	Fleur Plant Maintenance	\$1,337,936	\$1,979,942	\$0	\$1,979,942	\$642,006	68%
980-250	McMullen Plant Maintenance	\$494,942	\$610,479	\$0	\$610,479	\$115,537	81%
980-300	Saylorville Plant Maintenance	\$406,557	\$624,845	\$0	\$624,845	\$218,288	65%
980-350	WP Maintenance Oversight	\$175,643	\$239,727	\$0	\$239,727	\$64,084	73%
980-410	Louise P Moon Pumping & Maint	\$397,206	\$610,156	\$0	\$610,156	\$212,950	65%
980-420	PC PS Pumping Station	\$102,878	\$169,446	\$0	\$169,446	\$66,568	61%
980-430	DM Remote Storage & Pumping	\$533,956	\$967,669	\$0	\$967,669	\$433,713	55%
980-500	Routine Laboratory Monitoring	\$576,252	\$657,198	\$0	\$657,198	\$80,946	88%
980-530	Source Water Quality	\$25,280	\$170,034	\$0	\$170,034	\$144,754	15%
	Total Operating	\$17,941,372	\$27,503,557	\$0	\$27,503,557	\$9,562,184	65%
Capital							
985-010	Water Production Reinvestment	\$919,471	\$1,238,500	\$0	\$1,238,500	\$319,029	74%
975-010	Vehicle Replacement	\$1,147,844	\$1,368,100	\$70,000	\$1,438,100	\$290,256	80%
	Total Capital	\$2,067,316	\$2,606,600	\$70,000	\$2,676,600	\$609,284	77%
Total Water Production		\$20,008,688	\$30,110,157	\$70,000	\$30,180,157	\$10,171,468	66%

**Consent Agenda  
Item 1-C**

MONTHLY SCHEDULE FOR THE MONTH OF SEPTEMBER 2024

BANKERS TRUST EXCESS OPERATING CASH FUND	Investment Purchased	23,710,000.00
ACCOUNTS PAYABLE MONTHLY SCHEDULE	Weekly Check Runs	7,948,894.03
EMPLOYEE PAYROLL	Bi Weekly Payrolls	<u>1,011,560.16</u>
TOTAL		<u><u>\$32,670,454.19</u></u>

**PAYMENTS FOR SEPTEMBER, 2024**

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
278823	Amazon Capital Services Inc	Operating Materials & Supplies	1,615.63
278824	Shattuck Turf Farms	Operating Park Materials	28.00
278825	UPHDM Occupational Medicine	Operating Purchased Services	182.00
278826	USA Bluebook	Inventory	324.71
278827	Waste Solutions of Iowa	Operating Purchased Services	277.00
278828	West Des Moines Water Works	Operating Stormwater	120.15
278829	American Fence of Iowa	Operating Vehicle Maintenance Materials	851.01
278830	Azima DLI	Operating Materials & Supplies	159.30
278831	City of Des Moines	Operating Contractors	1,045.00
278832	I'll Do It	Operating Contractors	295.00
278833	Jessica Barnett	Operating Materials & Supplies	288.22
278834	Kele	Operating Materials & Supplies	500.80
278835	Brockway Mechanical & Roofing Co Inc.	Operating Materials & Supplies	740.00
278836	Capital Sanitary Supply	Inventory	470.32
278837	I'll Do It	Operating Contractors	4,025.00
278838	Industrial Scientific Corporation	Operating Dues and Memberships	2,315.03
278839	Ingersoll Rand	Inventory	64.25
278840	Interstate All Battery	Inventory	65.70
278841	CenturyLink	Operating Telephone Services	67.93
278842	Charles Gabus Ford	Operating Materials & Supplies	600.68
278843	Cintas	Operating Materials & Supplies	1,679.21
278844	Commercial Supply Co	Inventory	347.68
278845	Construction & Aggregate Products Inc.	Inventory	885.25
278846	Contract Specialty L.C.	Operating Materials & Supplies	285.00
278847	CTI Ready Mix	Capital Concrete	2,794.00
278848	Acme Tools	Inventory	116.35
278849	Air Products	Inventory	4,074.30
278850	Applied Industrial Technologies	Operating Materials & Supplies	188.14
278851	Armored Knights. Inc	Operating Purchased Services	575.96
278852	Customer Refunds	Refunds	65.49
278853	Customer Refunds	Refunds	171.10
278854	Customer Refunds	Refunds	187.85
278855	Customer Refunds	Refunds	351.13
278856	Customer Refunds	Refunds	151.89
278857	Customer Refunds	Refunds	106.54
278858	Des Moines Register	Operating Advertising	149.20
278859	DXP	Inventory	1,032.22
278860	First Choice Coffee	Operating Food & Beverage	393.20
278861	Fisher Scientific	Operating Materials & Supplies	105.18
278862	Force Fitters	Operating Employee Job Costs - Misc	109.00
278863	Baker Electric Inc.	Operating Materials & Supplies	1,065.00
278864	Bearing Headquarters Company	Inventory	36.96
278865	Grainger Inc.	Inventory	1,564.51
278866	Graybar Electric Company	Inventory	259.67
278867	Home City Ice	Operating Park Materials	530.00
278868	Hydro Klean	Capital Contractors	4,715.60
278869	Mead O'Brien Inc.	Inventory	2,837.93
278870	Microbac Laboratories	Operating Purchased Services	114.50
278871	MSC Industrial Supply Company	Operating Vehicle Maintenance Materials	76.80
278872	Radwell International	Inventory	3,147.40
278873	Ramco Innovations	Operating Materials & Supplies	748.00

**PAYMENTS FOR SEPTEMBER, 2024**

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
278874	Seneca Companies	Capital Contractors	4,866.00
278875	Smith's Sewer Service Inc.	Operating Tools	280.15
278876	Star Equipment Ltd.	Operating Materials & Supplies	648.62
278877	Storey-Kenworthy Company	Inventory	2,276.31
278878	Terracon	Capital Contractors	2,290.00
278879	Northern Filter Media Inc	Inventory	419.80
278880	Oldcastle Architectural	Operating Materials & Supplies	1,117.40
278881	The Filter Shop	Inventory	77.00
278882	Power Seal	Inventory	4,803.84
278883	Premier Safety	Inventory	1,170.99
278884	Tompkins Industries Inc.	Operating Materials & Supplies	262.33
278885	Total Tool	Inventory	843.53
278886	Truck Equipment Inc.	Capital Vehicle Maintenance Materials	1,941.00
278887	USA Bluebook	Inventory	1,018.92
278888	Utilimaster	Operating Vehicle Maintenance Materials	98.19
278889	VWR International LLC	Operating Materials & Supplies	27.12
278890	White Cap, L.P.	Inventory	261.90
278891	Iowa Prison Industries	Operating Materials & Supplies	267.80
278892	Lawson Products Inc.	Inventory	136.00
278893	Mail Services LLC	Operating Postage	778.94
278894	McMaster-Carr Supply Company	Operating Vehicle Maintenance Materials	509.41
278895	Aclara Technologies LLC	Inventory	80,712.00
278896	Lincoln National Life Insurance Co	Insurance Withholding	7,842.13
278897	Torgerson Excavating	Operating Contractors	29,893.00
278898	J & K Contracting LLC	Capital Contractors	204,448.52
278899	Iowa Contracting Inc	Operating Asphalt	12,544.80
278900	CDM Smith Inc.	Capital Contractors	12,987.60
278901	City of Des Moines	Operating Contractors	114,438.81
278902	City of Runnells	Runnells Payable	19,464.64
278903	Core and Main	Inventory	31,888.64
278904	Corn States Metal Fabricators, Inc	Capital Contractors	102,096.50
278905	Aclara Technologies LLC	Inventory	233,928.00
278906	Apex Engineering Products Corp	Inventory	9,622.34
278907	ASB Heating Elements Ltd.	Operating Materials & Supplies	7,491.96
278908	Dezurik c/o Mellen & Associates	Operating Materials & Supplies	5,385.72
278909	Elite Glass & Metal LLC	Capital Structures and Machinery	14,626.00
278910	Bankers Trust Company	Operating Food & Beverage	6,730.39
278911	Snyder & Associates Inc.	Capital Consultants	5,226.76
278912	Municipal Supply Inc.	Inventory	42,722.40
278913	WRH Inc.	Capital Contractors	56,431.74
278914	Martin Marietta Aggregates	Inventory	40,360.20
278915	Customer Refunds	Refunds	140.45
278916	Customer Refunds	Refunds	138.15
278917	Customer Refunds	Refunds	137.72
278918	Customer Refunds	Refunds	134.53
278919	Customer Refunds	Refunds	134.18
278920	Customer Refunds	Refunds	133.45
278921	Customer Refunds	Refunds	132.28
278922	Customer Refunds	Refunds	131.53
278923	Customer Refunds	Refunds	127.90
278924	Customer Refunds	Refunds	127.29

**PAYMENTS FOR SEPTEMBER, 2024**

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
278925	Customer Refunds	Refunds	123.95
278926	Customer Refunds	Refunds	121.26
278927	Customer Refunds	Refunds	118.63
278928	Customer Refunds	Refunds	117.65
278929	Customer Refunds	Refunds	115.91
278930	Customer Refunds	Refunds	112.14
278931	Customer Refunds	Refunds	110.00
278932	Customer Refunds	Refunds	106.47
278933	Customer Refunds	Refunds	105.31
278934	Customer Refunds	Refunds	99.71
278935	Customer Refunds	Refunds	94.82
278936	Customer Refunds	Refunds	107.57
278937	Customer Refunds	Refunds	92.78
278938	Customer Refunds	Refunds	90.00
278939	Customer Refunds	Refunds	87.14
278940	Customer Refunds	Refunds	86.52
278941	Customer Refunds	Refunds	73.64
278942	Customer Refunds	Refunds	70.94
278943	Customer Refunds	Refunds	67.71
278944	Customer Refunds	Refunds	67.13
278945	Customer Refunds	Refunds	66.80
278946	Customer Refunds	Refunds	66.73
278947	Customer Refunds	Refunds	65.53
278948	Customer Refunds	Refunds	63.73
278949	Customer Refunds	Refunds	62.93
278950	Customer Refunds	Refunds	61.41
278951	Customer Refunds	Refunds	60.21
278952	Customer Refunds	Refunds	50.22
278953	Customer Refunds	Refunds	45.52
278954	Customer Refunds	Refunds	43.86
278955	Customer Refunds	Refunds	43.70
278956	Customer Refunds	Refunds	35.69
278957	Customer Refunds	Refunds	31.35
278958	Customer Refunds	Refunds	30.87
278959	Customer Refunds	Refunds	29.58
278960	Customer Refunds	Refunds	29.36
278961	Customer Refunds	Refunds	29.11
278962	Customer Refunds	Refunds	27.80
278963	Customer Refunds	Refunds	25.68
278964	Customer Refunds	Refunds	18.02
278965	Customer Refunds	Refunds	12.98
278966	Customer Refunds	Refunds	950.00
278967	Customer Refunds	Refunds	815.15
278968	Customer Refunds	Refunds	707.00
278969	Customer Refunds	Refunds	469.77
278970	Customer Refunds	Refunds	335.42
278971	Customer Refunds	Refunds	276.83
278972	Customer Refunds	Refunds	201.44
278973	Customer Refunds	Refunds	197.06
278974	Customer Refunds	Refunds	173.30
278975	Customer Refunds	Refunds	170.79

**PAYMENTS FOR SEPTEMBER, 2024**

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
278976	Customer Refunds	Refunds	152.71
278977	Customer Refunds	Refunds	149.77
278978	Customer Refunds	Refunds	147.89
278979	Customer Refunds	Refunds	141.25
278980	Customer Refunds	Refunds	141.23
278981	David Vannoy	Boot Reimbursement	40.84
278982	Dentons Davis Brown PC	Operating Legal Fees	1,667.00
278983	Donna K Heckman	Operating Food & Beverage	92.45
278984	Douglas K. Oscarson	Operating Consultants	3,574.20
278985	TPx Communications	Operating Internet/Data	2,313.04
278986	U.S. Autoforce	Operating Materials & Supplies	409.36
278987	Melissa Goben	Operating Travel - Mileage	55.68
278988	Reppert Rigging & Hauling Co.	Capital Contractors	400.00
278989	Schlarbaum Auto Body	Operating Materials & Supplies	604.95
278990	Ahlers Cooney PC	Operating Legal Fees	646.00
278991	Air-Mach Air Compressor & Machine Co	Operating Materials & Supplies	432.50
278992	Allender Butzke Engineers Inc.	Capital Contractors	557.28
278993	DXP	Operating Materials & Supplies	1,690.98
278994	Electrical Engineering & Equipment Co.	Inventory	565.84
278995	Scott Ayres	Capital Travel - Mileage	204.35
278996	ULINE	Inventory	118.61
278997	UPS	Operating Courier/Shipping	64.74
278998	USA Bluebook	Inventory	914.35
278999	Fil-Trek	Inventory	121.00
279000	First Choice Coffee	Operating Food & Beverage	445.80
279001	Utilimaster	Operating Vehicle Maintenance Materials	44.85
279002	Fisher Scientific	Operating Materials & Supplies	196.80
279003	Garratt-Callahan Company	Operating Contractors	558.33
279004	Gold Standard Diagnostics Horsham, Inc	Operating Materials & Supplies	1,756.12
279005	Grainger Inc.	Inventory	3,207.16
279006	Verizon ConnectTelo Inc.	Operating Vehicle Maintenance Materials	2,027.40
279007	Vessco	Inventory	3,605.85
279008	Waldinger Corporation	Operating Contractors	352.50
279009	Warren Water District	Operating Purchased Services	3,360.00
279010	Wellmark Blue Cross & Blue Shield of IA	Group Insurance - Retirees	1,202.00
279011	Amazon Capital Services Inc	Operating Materials & Supplies	1,503.13
279012	American Fence of Iowa	Operating Purchased Services	4,755.00
279013	Applied Industrial Technologies	Operating Vehicle Maintenance Materials	1,483.09
279014	Graybar Electric Company	Inventory	1,637.19
279015	Hawkeye Truck Equipment	Operating Materials & Supplies	153.96
279016	AT&T Mobility	Operating Telephone Services	113.09
279017	Aureon Communications	Operating Internet/Data	3,630.36
279018	Baker Group	Operating Contractors	696.00
279019	Menard's	Operating Materials & Supplies	44.89
279020	Michelle Cole	Operating Materials & Supplies	272.00
279021	Servicemaster - Rice	Casualty Losses	1,276.84
279022	Servicemaster Commercial Carpet Inc.	Operating Purchased Services	416.00
279023	Sherwin Williams	Operating Materials & Supplies	539.85
279024	Smith's Sewer Service Inc.	Operating Materials & Supplies	123.88
279025	Woodland Lake Estate Association	Woodland Lakes Estates Payable	4,487.48
279026	Bearing Headquarters Company	Inventory	352.92

**PAYMENTS FOR SEPTEMBER, 2024**

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
279027	Capital Sanitary Supply	Inventory	1,339.53
279028	Heartland Business Systems	Operating Maintenance Contracts	1,755.00
279029	Home City Ice	Operating Park Materials	382.50
279030	Microbac Laboratories	Operating Purchased Services	145.75
279031	Miller The Killer	Operating Purchased Services	383.00
279032	Central Iowa Towing & Recover Inc	Operating Materials & Supplies	120.75
279033	CenturyLink	Operating Telephone Services	365.08
279034	Charles Gabus Ford	Operating Materials & Supplies	115.99
279035	Image Solutions	Operating Office Supplies	136.50
279036	Ingersoll Rand	Inventory	194.81
279037	MTI Distributing	Operating Vehicle Maintenance Materials	43.23
279038	Star Equipment Ltd.	Operating Materials & Supplies	169.88
279039	Team Services Inc.	Capital Contractors	214.10
279040	Tech Sales Company	Inventory	419.00
279041	Ziegler Inc.	Operating Materials & Supplies	1,231.73
279042	Charles Thomas Cater	Boot Reimbursement	82.61
279043	Integrated PT & Sports Med PLLC	Operating Purchased Services	287.50
279044	Interstate All Battery	Inventory	848.60
279045	Iowa Contracting Inc	Operating Asphalt	3,152.40
279046	Christopher Miller	Casualty Losses	654.49
279047	Cintas	Operating Purchased Services	4,103.04
279048	Iowa Public Radio	Operating Advertising	1,109.01
279049	James Neer	Boot Reimbursement	200.00
279050	AccuCopy	Capital Printing & Copies	89.82
279051	Accurate Hydraulics & Machine Serv. Inc	Operating Contractors	450.00
279052	Acme Tools	Operating Materials & Supplies	561.94
279053	Jennifer Kohls	Boot Reimbursement	199.89
279054	Jessica Barnett	Boot Reimbursement	245.00
279055	Joe Jones JR	Operating Materials & Supplies	266.35
279056	The Filter Shop	Inventory	275.40
279057	Thomas Konrad	Casualty Losses	1,310.75
279058	Thyssenkrupp Elevator Corporation	Operating Purchased Services	746.70
279059	City of Des Moines	Capital Contractors	135.00
279060	City Supply Corporation	Capital Materials & Supplies	1,726.63
279061	John's Tree Service Inc.	Operating Purchased Services	2,000.00
279062	Cooper Wiederin	Uniform Reimbursement	200.02
279063	Kinetics Industries Inc.	Operating Contractors	1,834.70
279064	Kirkham Michael	Capital Contractors	310.00
279065	P & P Small Engines Inc.	Operating Materials & Supplies	38.99
279066	Pollard Company	Operating Materials & Supplies	2,615.08
279067	Larson Data Communications	Operating Materials & Supplies	3,692.00
279068	Power Seal	Inventory	3,348.84
279069	Premier Safety	Inventory	1,173.85
279070	Core and Main	Inventory	1,538.24
279071	Lawson Products Inc.	Inventory	25.50
279072	Logan Contractors Supply Inc.	Inventory	1,014.30
279073	McMaster-Carr Supply Company	Inventory	1,395.01
279074	Quest Engineering Inc	Inventory	932.39
279075	Ramco Innovations	Inventory	138.16
279076	Tompkins Industries Inc.	Operating Materials & Supplies	1,062.06
279077	Total Tool	Inventory	177.16

**PAYMENTS FOR SEPTEMBER, 2024**

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
279078	Advanced Waste Management Systems	Operating Materials & Supplies	11,660.73
279079	Air Products	Inventory	5,828.63
279080	Airgas North Central	Operating Tools	59,005.09
279081	Scotty's Body Shop Inc.	Operating Contractors	5,178.01
279082	Urbandale/Windsor Heights Sanitary Dist	Windsor Heights Sewer Payable	35,205.60
279083	FBG Service Corporation	Operating Purchased Services	11,938.00
279084	Van Meter Industrial Inc.	Operating Materials & Supplies	5,434.88
279085	Gold Standard Diagnostics Horsham, Inc	Inventory	12,991.47
279086	Greenfield Plaza Sanitary Sewer	Greenfield Plaza Sewer Payable	29,065.06
279087	Woodberry Associates LLC	Operating Consultants	8,000.00
279088	WRH Inc.	Capital Contractors	66,252.05
279089	Bankers Trust Company	Capital Licenses & Certifications	14,260.94
279090	Bonnie's Barricades	Capital Contractors	5,938.20
279091	HDR Inc	Capital Contractors	126,902.02
279092	HomeServe USA	Home Serve Payable	218,769.00
279093	Mississippi Lime Company	Inventory	96,523.50
279094	Hydro Klean	Capital Contractors	177,905.79
279095	Insight Public Sector Inc	Capital Data Processing Equipment	114,204.27
279096	Municipal Supply Inc.	Capital Materials & Supplies	38,668.52
279097	On Track Construction LLC	Capital Contractors	540,699.85
279098	Iowa One Call	Operating Purchased Services	5,329.90
279099	City of Alleman	Alleman Payable	8,113.64
279100	City of Cumming	Cumming Payable	10,097.25
279101	J & K Contracting LLC	Capital Contractors	197,431.20
279102	City of Pleasant Hill	Pleasant Hill Payable	312,386.07
279103	City of Windsor Heights	Windsor Heights Sewer Payable	77,074.52
279104	Karl Chevrolet	Operating Materials & Supplies	5,353.96
279105	Consolidated Water Solutions	Inventory	17,212.86
279106	Kemira Water Solutions Inc	Inventory	37,618.96
279107	Ottsen Oil Company	Inventory	6,197.34
279108	Polk County	Polk County Sewer Payable	75,196.53
279109	Polk County Treasurer	Polk County Sewer Payable	32,288.16
279110	Power Process Equipment Inc.	Operating Materials & Supplies	6,055.58
279111	CTI Ready Mix	Operating Concrete	7,735.00
279112	Renewable Energy Group	Inventory	10,404.78
279113	Customer Refunds	Refunds	42.14
279114	Customer Refunds	Refunds	101.26
279115	Customer Refunds	Refunds	176.23
279116	Customer Refunds	Refunds	141.12
279117	Customer Refunds	Refunds	178.35
279118	Customer Refunds	Refunds	157.02
279119	Customer Refunds	Refunds	64.29
279120	Customer Refunds	Refunds	39.13
279121	Customer Refunds	Refunds	56.93
279122	Customer Refunds	Refunds	1,396.26
279123	Customer Refunds	Refunds	22.63
279124	Customer Refunds	Refunds	63.59
279125	Customer Refunds	Refunds	41.34
279126	Customer Refunds	Refunds	193.58
279127	Customer Refunds	Refunds	341.69
279128	Customer Refunds	Refunds	36.99

**PAYMENTS FOR SEPTEMBER, 2024**

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
279129	Customer Refunds	Refunds	11.98
279130	Customer Refunds	Refunds	12.98
279131	Customer Refunds	Refunds	96.52
279132	Customer Refunds	Refunds	165.89
279133	Customer Refunds	Refunds	103.40
279134	Customer Refunds	Refunds	88.99
279135	Customer Refunds	Refunds	143.06
279136	Customer Refunds	Refunds	44.62
279137	Customer Refunds	Refunds	19.77
279138	Customer Refunds	Refunds	680.95
279139	Customer Refunds	Refunds	88.05
279140	Customer Refunds	Refunds	118.32
279141	Customer Refunds	Refunds	23.56
279142	Customer Refunds	Refunds	59.89
279143	Customer Refunds	Refunds	74.10
279144	Customer Refunds	Refunds	97.63
279145	Customer Refunds	Refunds	80.49
279146	Customer Refunds	Refunds	183.26
279147	Customer Refunds	Refunds	36.25
279148	Customer Refunds	Refunds	109.67
279149	Customer Refunds	Refunds	22.81
279150	Customer Refunds	Refunds	43.41
279151	Customer Refunds	Refunds	154.62
279152	Customer Refunds	Refunds	40.33
279153	Customer Refunds	Refunds	120.72
279154	Customer Refunds	Refunds	164.11
279155	Customer Refunds	Refunds	107.51
279156	Customer Refunds	Refunds	45.36
279157	Carquest	Operating Materials & Supplies	804.25
279158	UPS	Operating Courier/Shipping	177.92
279159	Air-Mach Air Compressor & Machine Co	Operating Materials & Supplies	432.50
279160	Airgas North Central	Inventory	20.03
279161	Amazon Capital Services Inc	Operating Materials & Supplies	1,417.22
279162	Apex Engineering Products Corp	Inventory	975.45
279163	Applied Industrial Technologies	Inventory	390.40
279164	Aspen Equipment	Operating Materials & Supplies	541.27
279165	Badger Meter	Inventory	89.08
279166	Bearing Headquarters Company	Inventory	50.70
279167	Blackburn Manufacturing Company	Inventory	497.10
279168	Bob Brown Chevrolet Inc.	Operating Materials & Supplies	29.84
279169	Canon Financial Services Inc	Operating Materials & Supplies	394.61
279170	Capital Sanitary Supply	Inventory	516.85
279171	Carol Beronich	Casualty Losses	1,259.13
279172	Charles Gabus Ford	Operating Materials & Supplies	166.31
279173	Cintas	Inventory	2,482.31
279174	City Supply Corporation	Inventory	4,972.24
279175	Combined Systems Technology Inc.	Inventory	154.52
279176	Commercial Supply Co	Inventory	397.92
279177	Construction & Aggregate Products Inc.	Operating Materials & Supplies	680.40
279178	Consumer Energy	Operating Electrical Power	282.30
279179	Core and Main	Inventory	1,368.00

**PAYMENTS FOR SEPTEMBER, 2024**

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
279180	CPI International	Operating Materials & Supplies	206.30
279181	Crescent Electric Supply Company	Operating Materials & Supplies	4,422.12
279182	Delta Dental of Iowa	Vision Withholding	1,337.84
279183	Dentons Davis Brown PC	Operating Legal Fees	236.00
279184	Des Moines Asphalt & Paving Co. Inc.	Operating Asphalt	282.00
279185	Des Moines Iron Company	Operating Vehicle Maintenance Materials	879.50
279186	Douglas K. Oscarson	Operating Consultants	1,787.10
279187	Dultmeier Sales LLC	Inventory	1,466.63
279188	DXP	Inventory	126.96
279189	Electrical Engineering & Equipment Co.	Inventory	2,009.94
279190	Fastenal Company	Inventory	189.55
279191	First Choice Coffee	Operating Food & Beverage	1,274.00
279192	Force Fitters	Operating Employee Job Costs - Misc	371.50
279193	General Fire & Safety Equipment	Operating Purchased Services	55.00
279194	Gilcrest Jewett Lumber Company	Inventory	300.00
279195	Grainger Inc.	Operating Materials & Supplies	4,297.93
279196	Acme Tools	Inventory	475.86
279197	Mellen & Associates	Operating Materials & Supplies	771.80
279198	Pollard Company	Inventory	497.85
279199	Graybar Electric Company	Inventory	122.56
279200	Menard's	Operating Materials & Supplies	661.80
279201	Premier Safety	Inventory	456.48
279202	Propio Language Services	Operating Purchased Services	1,065.01
279203	Raftelis	Operating Purchased Services	1,948.75
279204	United Seeds inc.	Operating Materials & Supplies	205.00
279205	UPHDM Occupational Medicine	Operating Purchased Services	392.58
279206	USA Bluebook	Inventory	386.44
279207	Regal Plastic Supply	Operating Materials & Supplies	360.00
279208	Van Meter Industrial Inc.	Capital Materials & Supplies	810.14
279209	Vessco	Inventory	1,392.66
279210	VWR International LLC	Inventory	15.84
279211	Waste Management of Iowa Inc.	Operating Purchased Services	1,491.00
279212	Metro Waste Authority	Operating Materials & Supplies	520.80
279213	IDEXX Laboratories Inc.	Operating Materials & Supplies	2,684.60
279214	Industrial Glassware	Operating Materials & Supplies	1,199.65
279215	Iowa Prison Industries	Operating Office Supplies	68.00
279216	Schimberg	Operating Vehicle Maintenance Materials	583.98
279217	Scott Manning	Glass Reimbursement	268.09
279218	SEAM, Inc	Operating Purchased Services	3,504.70
279219	Western Hose and Gasket	Inventory	813.22
279220	Michelle Holland	Operating Postage	1,480.00
279221	Star Equipment Ltd.	Inventory	87.98
279222	IP Pathways LLC	Operating Materials & Supplies	4,836.44
279223	Jason Turner	Boot Reimbursement	152.60
279224	Midwest Office Technology Inc.	Operating Printing & Copies	1,571.35
279225	State Hygienic Laboratory	Operating Purchased Services	4,503.50
279226	Stellar Industrial Supply DBA USA Safety	Inventory	347.71
279227	Jesse Meumany	Tool Reimbursement	105.01
279228	Jonny Boyles	Boot Reimbursement	139.09
279229	Lawson Products Inc.	Inventory	785.14
279230	MSC Industrial Supply Company	Inventory	1,185.94

**PAYMENTS FOR SEPTEMBER, 2024**

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
279231	Murphy Tractor & Equipment	Operating Materials & Supplies	107.31
279232	Stonkus Hydraulic Inc.	Operating Materials & Supplies	1,619.85
279233	Taylor Gruis	Boot Reimbursement	62.04
279234	Team Services Inc.	Capital Contractors	2,483.17
279235	The Shredder	Operating Purchased Services	87.00
279236	ThermoWorks	Operating Materials & Supplies	408.80
279237	Liberty Tire Recycling Services Iowa	Operating Materials & Supplies	153.11
279238	Logan Contractors Supply Inc.	Operating Materials & Supplies	349.98
279239	Mail Services LLC	Operating Postage	908.38
279240	Napa Auto Parts	Operating Materials & Supplies	4,893.75
279241	True North Controls	Inventory	152.40
279242	Underwriters Laboratory	Operating Contractors	764.00
279243	McMaster-Carr Supply Company	Inventory	332.94
279244	Mead O'Brien Inc.	Inventory	196.28
279245	One Source	Operating Purchased Services	487.99
279246	P & P Small Engines Inc.	Operating Purchased Services	69.90
279247	Mid American Energy	Operating Electrical Power	133,690.82
279248	Air Products	Inventory	5,745.61
279249	Baker Group	Operating Contractors	21,562.08
279250	Carus Chemical	Inventory	42,163.20
279251	CONVERGEONE INC	Operating Internet/Data	5,772.80
279252	Dickinson, Bradshaw, Folwer & Hagen, P.C.	Operating Legal Fees	7,674.00
279253	Hawkins Inc	Inventory	32,280.73
279254	Verizon Wireless Messaging Service	Operating Telephone Services	10,675.35
279255	Metrohm USA, Inc	Operating Maintenance Contracts	14,792.80
279256	Wellmark Blue Cross & Blue Shield of IA	Group Insurance - Retirees	26,384.80
279257	InfoSend, Inc.	Operating Postage	57,176.10
279258	Rognes Corporation	Capital Contractors	226,226.35
279259	Mid American Energy	Operating Electrical Power	142,787.22
279260	Snyder & Associates Inc.	Capital Contractors	254,847.02
279261	Iowa State University	Operating Dues and Memberships	5,400.00
279262	Mississippi Lime Company	Inventory	82,273.23
279263	Kemira Water Solutions Inc	Inventory	24,814.28
279264	Municipal Supply Inc.	Operating Materials & Supplies	19,193.00
279265	Neptune Technology Group Inc	Inventory	6,260.40
279266	Servicemaster - Rice	Operating Purchased Services	2,823.39
279267	Stellar Industrial Supply DBA USA Safety	Inventory	31.62
279268	Customer Refunds	Refunds	166.32
279269	Customer Refunds	Refunds	107.54
279270	Customer Refunds	Refunds	183.43
279271	Customer Refunds	Refunds	238.50
279272	Customer Refunds	Refunds	66.64
279273	Customer Refunds	Refunds	235.70
279274	Customer Refunds	Refunds	161.93
279275	Customer Refunds	Refunds	201.24
279276	Customer Refunds	Refunds	143.47
279277	Customer Refunds	Refunds	565.27
279278	Customer Refunds	Refunds	100.39
279279	Customer Refunds	Refunds	103.82
279280	Customer Refunds	Refunds	180.20
279281	Customer Refunds	Refunds	120.01

**PAYMENTS FOR SEPTEMBER, 2024**

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
279282	Customer Refunds	Refunds	6.49
279283	Customer Refunds	Refunds	18.68
279284	Customer Refunds	Refunds	21.45
279285	Customer Refunds	Refunds	76.60
279286	Customer Refunds	Refunds	169.58
279287	Customer Refunds	Refunds	200.61
279288	Customer Refunds	Refunds	52.30
279289	Customer Refunds	Refunds	78.51
279290	Customer Refunds	Refunds	171.18
279291	Customer Refunds	Refunds	130.89
279292	Customer Refunds	Refunds	173.46
279293	Customer Refunds	Refunds	10.82
279294	Customer Refunds	Refunds	160.75
279295	Customer Refunds	Refunds	186.19
279296	Customer Refunds	Refunds	45.21
279297	Customer Refunds	Refunds	141.90
279298	Customer Refunds	Refunds	20.49
279299	Customer Refunds	Refunds	166.76
279300	Customer Refunds	Refunds	87.00
279301	Customer Refunds	Refunds	6.49
279302	Customer Refunds	Refunds	82.56
279303	Customer Refunds	Refunds	241.58
279304	Customer Refunds	Refunds	1,249.23
279305	Customer Refunds	Refunds	84.79
279306	Customer Refunds	Refunds	162.96
279307	ATW Training Solutions	Operating Training	525.00
279308	Railroad Management Company IV LLC	Operating Purchased Services	643.70
279309	SEI Security Equipment Inc	Operating Purchased Services	2,036.78
279310	Storm Water Supply LLC	Operating Materials & Supplies	120.06
279311	Ameraflex Sealing Products Inc	Inventory	1,093.01
279312	American Marking Inc.	Operating Materials & Supplies	17.00
279313	Applied Industrial Technologies	Capital Materials & Supplies	3,451.03
279314	Badger Meter	Operating Materials & Supplies	2,968.87
279315	Bob Brown Chevrolet Inc.	Operating Materials & Supplies	266.26
279316	Boomi LP	Capital Consultants	340.00
279317	Canon Financial Services Inc	Operating Printing & Copies	1,163.57
279318	Capital Sanitary Supply	Inventory	345.56
279319	Graybar Electric Company	Inventory	1,832.39
279320	Christopher Mlynarik	Operating Travel - Mileage	17.10
279321	Cintas	Inventory	2,342.84
279322	City of Des Moines	Operating Concrete	1,185.50
279323	Hach Chemical Company	Inventory	3,602.50
279324	City Supply Corporation	Operating Materials & Supplies	174.60
279325	Clive Power Equipment	Operating Materials & Supplies	168.29
279326	Combined Systems Technology Inc.	Operating Materials & Supplies	269.00
279327	Construction & Aggregate Products Inc.	Capital Vehicle Maintenance Materials	850.00
279328	CONVERGEONE INC	Operating Telephone Services	2,212.26
279329	Core and Main	Inventory	1,468.78
279330	CPI International	Inventory	3,789.76
279331	AccuCopy	Capital Printing & Copies	181.69
279332	Aclara Technologies LLC	Inventory	4,514.40

**PAYMENTS FOR SEPTEMBER, 2024**

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
279333	Acme Tools	Inventory	661.35
279334	Agilent Technologies	Operating Materials & Supplies	94.20
279335	AGRILAND FS INC	Operating Natural Gas	110.00
279336	Air Products	Inventory	2,816.10
279337	Airgas North Central	Operating Tools	389.58
279338	Daniel Alvarado	Boot Reimbursement	145.44
279339	Dezurik c/o Mellen & Associates	Inventory	31.62
279340	Douglas K. Oscarson	Operating Consultants	1,787.10
279341	Dwyer Instruments Inc.	Inventory	133.10
279342	Allender Butzke Engineers Inc.	Capital Contractors	4,600.00
279343	Amazon Capital Services Inc	Operating Materials & Supplies	1,541.84
279344	DXP	Inventory	1,011.93
279345	Electric Pump	Operating Contractors	435.00
279346	Gilcrest Jewett Lumber Company	Capital Courier/Shipping	1,447.98
279347	Bonnie's Barricades	Capital Contractors	2,135.25
279348	Dentons Davis Brown PC	Operating Legal Fees	2,024.00
279349	Des Moines Asphalt & Paving Co. Inc.	Operating Asphalt	597.00
279350	Des Moines Water Works Petty Cash	Operating Materials & Supplies	138.82
279351	Electronic Engineering Company	Operating Contractors	3,435.00
279352	Grainger Inc.	Inventory	24.76
279353	IDEXX Laboratories Inc.	Operating Materials & Supplies	4,992.17
279354	Illinois Mutual & Life Casualty Company	Insurance Withholding	17.81
279355	Image Solutions	Operating Employee Job Costs - Misc	118.50
279356	Interstate All Battery	Inventory	51.60
279357	Iowa Contracting Inc	Operating Asphalt	2,527.60
279358	Iowa Environmental Council	Operating Dues and Memberships	4,000.00
279359	Joseph Lake	Glass Reimbursement	133.00
279360	Kinzler Construction Services	Operating Materials & Supplies	261.50
279361	Lawson Products Inc.	Inventory	65.58
279362	McMaster-Carr Supply Company	Inventory	2,567.02
279363	Mediacom Business	Operating Internet/Data	454.90
279364	Menard's	Operating Materials & Supplies	304.83
279365	Microbac Laboratories	Operating Purchased Services	114.50
279366	Midwest Office Technology Inc.	Operating Printing & Copies	3.14
279367	MSC Industrial Supply Company	Operating Vehicle Maintenance Materials	1,065.76
279368	MTI Distributing	Operating Vehicle Maintenance Materials	58.91
279369	Nate Todd Construction	Operating Contractors	4,500.00
279370	Nichols Equipment LLC	Operating Purchased Services	2,718.00
279371	Northern Tool and Equipment	Operating Materials & Supplies	1,223.33
279372	Ontellus	Operating Legal Fees	94.43
279373	Pollard Company	Inventory	231.78
279374	Premier Safety	Inventory	1,642.21
279375	Protex Central Inc.	Operating Contractors	522.50
279376	Quest Engineering Inc	Inventory	951.10
279377	Radwell International	Inventory	423.81
279378	RevSpring, Inc.	Operating Purchased Services	950.00
279379	Seton Identification Products	Inventory	586.20
279380	Sherwin Williams	Operating Materials & Supplies	144.98
279381	Snyder & Associates Inc.	Capital Contractors	4,621.65
279382	Star Equipment Ltd.	Inventory	372.56
279383	Stellar Industrial Supply DBA USA Safety	Inventory	248.38

**PAYMENTS FOR SEPTEMBER, 2024**

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
279384	Stivers	Operating Materials & Supplies	299.95
279385	Stonkus Hydraulic Inc.	Inventory	330.68
279386	Superior Industrial Equipment	Inventory	1,490.86
279387	Synergy Contracting LLC	Operating Contractors	2,390.00
279388	The Filter Shop	Inventory	129.80
279389	Total Tool	Inventory	567.88
279390	Truck Center Companies	Operating Materials & Supplies	346.08
279391	Truck Equipment Inc.	Operating Materials & Supplies	594.00
279392	True North Controls	Operating Materials & Supplies	503.00
279393	ULINE	Inventory	252.07
279394	United Rentals	Inventory	2,032.00
279395	UPS	Operating Courier/Shipping	10.00
279396	USA Bluebook	Inventory	897.15
279397	Van Meter Industrial Inc.	Operating Materials & Supplies	2,596.70
279398	Vessco	Inventory	2,326.37
279399	VWR International LLC	Inventory	460.60
279400	Waste Management of Iowa Inc.	Operating Purchased Services	537.18
279401	White Cap, L.P.	Inventory	295.83
279402	Ziegler Inc.	Operating Contractors	2,828.55
279403	Aqua Dynamics	Operating Contractors	5,500.00
279404	Mid American Energy	Operating Electrical Power	6,329.03
279405	Midwest Injection Inc	Operating Contractors	19,850.00
279406	Schlarbaum Auto Body	Operating Materials & Supplies	5,437.00
279407	Waldinger Corporation	Capital Contractors	13,721.00
279408	Grainger Inc.	Inventory	5,740.33
279409	Apex Engineering Products Corp	Inventory	5,706.60
279410	Arq Purification, LLC	Inventory	24,097.40
279411	Baker Electric Inc.	Capital Contractors	19,450.00
279412	CDM Smith Inc.	Capital Contractors	21,320.06
279413	Hawkins Inc	Inventory	15,954.88
279414	Heartland Business Systems	Operating Maintenance Contracts	11,368.59
279415	I'll Do It	Operating Purchased Services	20,380.00
279416	CTI Ready Mix	Operating Concrete	7,535.50
279417	Corell Contractors	Capital Contractors	106,362.15
279418	HR Green	Capital Contractors	17,610.25
279419	IP Pathways LLC	Operating Materials & Supplies	27,542.69
279420	IXOM Watercare Inc	Operating Contractors	8,000.00
279421	JMT Trucking	Operating Purchased Services	7,236.11
279422	Kemira Water Solutions Inc	Inventory	25,103.40
279423	Mid American Energy	Operating Electrical Power	108,934.73
279424	Mississippi Lime Company	Inventory	97,667.55
279425	MPS Engineers PC	Capital Contractors	26,109.80
279426	Municipal Supply Inc.	Operating Materials & Supplies	20,026.80
279427	Neptune Technology Group Inc	Operating Maintenance Contracts	6,114.72
279428	Renewable Energy Group	Inventory	33,347.34
279429	RoviSys Company	Capital Consultants	20,177.40
279430	S. J. Louis Construction, Inc	Capital Contractors	205,840.18
279431	Strand Associates	Capital Contractors	57,388.19
279432	Univar	Inventory	6,929.26
279433	Veenstra & Kimm Inc.	Capital Consultants	20,184.12
279434	Waldinger Corporation	Operating Contractors	5,164.85

**PAYMENTS FOR SEPTEMBER, 2024**

<u>Check No.</u>	<u>Paid to:</u>	<u>Description</u>	<u>Amount</u>
279435	WRH Inc.	Capital Contractors	215,249.68
09302024	Office of Auditor of State	Operating Purchased Services	850.00
00000019/1	EMC Risk Services Inc	Workers Comp	10,671.31
09302024	Collection Services Center	Garnishment of Wages	2,134.54
09302024	Collection Services Center	Garnishment of Wages	2,023.15
09302024	EBS	Employee Health Premiums	339,705.90
09302024	Internal Revenue Service	Withholding Taxes Payable	195,185.95
09302024	Internal Revenue Service	Withholding Taxes Payable	193,468.12
09302024	Treasurer State of Iowa	State Withholding Taxes Payable	29,414.47
09302024	Treasurer State of Iowa	State Withholding Taxes Payable	29,284.46
WC09302024CU	Des Moines Metro Credit Union	Payroll Deductions - Credit Union	20,293.00
WC09302024DC	Principal Life Insurance	Deferred Comp - PR2419	62,552.25
WC09302024Caseys	Casey's Business Mastercard	Wire Caseys Gas	780.00
WC09302024Caseys	Casey's Business Mastercard	Wire Caseys Gas	165.15
WC09302024IPERS	IPERS Collections	IPERS July 2024 Payment	371,940.91
WC09302024ADP	ADP LLC	ADP Payroll Services	9,279.55
WC09302024DC	Principal Life Insurance	Deferred Comp - PR2420	62,737.26
WC09302024State	Treasurer State of Iowa - Sales/Use	State Sales Tax	185,824.61
WC09302024Water	Treasurer State of Iowa - Sales/Use	Water Excise Tax	272,679.27
WC09302024CU	Des Moines Metro Credit Union	Payroll Deductions - Credit Union	20,293.00
WC09302024FSA	Discovery Benefits	Flex Spending - Reimbursements	1,360.38
<b>TOTAL</b>			<b>\$ 7,948,894.03</b>

CEO APPROVED EXPENDITURES GREATER THAN \$50,000  
MONTHLY SCHEDULE FOR THE MONTH OF SEP 2024

Check # EFT #	Vendor	Description	Amount	Details
278901	City of Des Moines	Operating Contractors	\$ 114,438.81	\$81,528.81 - Nitrate Facility Wastewater - over budget



**AGENDA ITEM FORM**

**SUBJECT: Approval of Proposed Resolution Adopting 2025 Water Rates**

**SUMMARY:**

- Proposed 2025 Water Rates are attached and were discussed at the October Finance and Audit Committee meeting. Proposed Resolutions adopting such Rates and providing for their publication are also attached. Rate recommendations are based on an annual Cost of Service study following Base-Extra Capacity cost principles outlined in AWWA's M1 manual.
- Below is a chart showing the staff recommendation for 2025 residential volume water rates for each customer class. As discussed at the September and October Finance & Audit Committee meetings, residential rates for each service area are recommended to be restructured in inclining block rates to ensure rates equitably recover costs based on the demands customers place on the water system related to essential and typical household water needs and higher seasonal peak demands, including lawn watering. The proposed rate structure is as follows:

Step	Volume	Designed to Recover Costs for	Rate per thousand gallons
1	0 – 2,000 gallons	Essential household water needs	\$5.00
2	2,001 – 9,000 gallons	Typical indoor household water needs	\$7.50
3	9,000+ gallons	Higher seasonal peak demand, such as lawn watering	\$10.00

- The new residential rate structure is proposed to include an inclining block rate to ensure that rates appropriately recover costs based on the demands customers place on the water system related to essential and typical household water needs and higher seasonal peak demands, including lawn watering.
- The proposed inclining rate structure is designed around the industry standard of average household water usage at 6,000 gallons each month. About 90% of DMWW residential customers use less than 6,000 gallons each month. Customers using less than this 6,000-gallon average will see a \$1.00 to \$3.00 savings in their monthly water charges. Residential customers consuming more than 6,000 gallons of water but less than 9,000 gallons each month will see an increase of \$1.00 to \$3.00 in their monthly water charges under the proposed rate structure. Substantial lawn watering or other seasonal usage are expected to result in a higher cost per 1,000 gallons and higher monthly water charges under this proposed rate model.
- Non-residential volume rates for commercial and industrial customers are proposed to increase 7% and will continue to follow a declining block rate structure in 2025. These rates will be evaluated in 2025 for the 2026 rate implementation to determine if a change in rate design is recommended.
- Wholesale water rates are also recommended to be restructured--from recovering all costs from within a single volume rate to recovering average day (base) costs from a volume rate, and recovering maximum day costs (extra capacity) from a fixed monthly fee. This change has been discussed by the Board for a number of years but implementation was deferred until regionalization discussions finalized.
- A memo providing more detail on rate recommendations is attached, which includes a summary of proposed water rates, capital improvement fees, and availability fees by customer class.
- Proposed rates and fees will take effect on February 1, 2022, except for Wholesale Rates that will take effect April 1, 2024.
- Due to the restructuring of residential rates to inclining block rates, the Board set a date for Public Hearing on this change as of this October 29<sup>th</sup> board meeting. Notice of the restructuring of residential rates has been published in the Des Moines Register as required by law for public hearings; a message was included on customer billing statements in late September through the month of October; a pop up message has been placed on the website; an email was sent to approximately 44,0000 customers that have provided their email address to DMWW; and this change has received coverage by local TV and newspaper media.

**FISCAL IMPACT:**

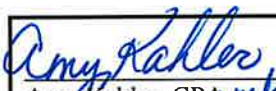
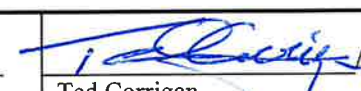
The recommended rate increases will result in approximately \$4 million of increased water revenue for 2025. The change to residential inclining rate structure was designed to be revenue neutral in comparison to adjusted 2025 rates under the declining rate structure.

**RECOMMENDED ACTION:**

- Public Hearing - Opened by Chairperson for comments from the public regarding the implementation of an inclining block rate structure for residential customers.
- Hold the public hearing
- Motion to close the public hearing.
- Approve and adopt the proposed rates by roll call vote on the attached Resolutions.

**BOARD REQUIRED ACTION:**

Approve and adopt the proposed rates by motion, second, and roll call vote on the attached Resolutions.

 Amy Kahler, CPA Chief Financial Officer	<u>10/24/24</u> (date)	 Ted Corrigan CEO and General Manager	<u>10/24/24</u> (date)
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Attachment: Proposed 2025 Water Rates; Rate Resolution; Memo "2025 Cost of Service and Proposed Water Rates"

**Des Moines Water Works  
2025 Water Rates  
Proposed**

**Volume Rates (Per Thousand Gallons) - Effective February 1, 2025**

Service Area/Rate	Des Moines Inside City	Des Moines Outside City	Polk County	Pleasant Hill	Windsor Heights	PCRWD #1	Berwick	Runnells	Cumming	Alleman
<b>Residential</b>										
Water - Step 1	\$5.00	\$6.00	\$10.60	\$8.80	\$6.40	\$4.95	\$4.20	\$7.95	\$8.20	\$9.75
Water - Step 2	\$7.50	\$9.05	\$15.90	\$13.20	\$9.60	\$7.40	\$6.30	\$11.95	\$12.30	\$14.60
Water - Step 3	\$10.00	\$12.05	\$21.20	\$17.60	\$12.80	\$9.85	\$8.40	\$15.90	\$16.40	\$19.50
Irrigation	\$10.00	\$12.05	\$21.20	\$17.60	\$12.80	\$9.85	\$8.40	\$15.90	\$16.40	\$19.50
DMWW Sewer	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$11.50	n/a	n/a
<b>Non-Residential</b>										
Water - Step 1	\$6.40	\$8.05	\$12.65	\$11.75	\$6.55	\$6.55	\$5.60	\$10.60	\$10.95	\$13.00
Water - Step 2	\$4.30	\$6.05	\$7.70	\$9.90	n/a	n/a	n/a	n/a	n/a	n/a
Water - Step 3	\$3.30	\$4.30	\$6.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Capital Improvement</b>										
Cap Improv - Step 1	\$0.25	n/a	\$1.50	n/a	\$2.00	n/a	n/a	n/a	n/a	n/a
Cap Improv - Step 2	\$0.17	n/a	\$0.92	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cap Improv - Step 3	\$0.13	n/a	\$0.71	n/a	n/a	n/a	n/a	n/a	n/a	n/a

**Monthly Availability by Meter Size - Effective February 1, 2025**

Meter Size	Des Moines Inside City	Des Moines Outside City	Polk County	Pleasant Hill	Windsor Heights	PCRWD #1 <sup>1</sup>	Berwick <sup>2</sup>	Runnells	Cumming	Alleman
5/8"	\$ 6.00	\$ 8.00	\$ 7.00	\$ 10.00	\$ 6.00	\$ 6.00	\$ 5.00	\$ 6.00	\$ 9.00	\$ 6.00
3/4"	\$ 7.00	\$ 10.00	\$ 8.00	\$ 10.00	\$ 7.00	\$ 6.00	\$ 5.00	\$ 6.00	\$ 9.00	\$ 8.00
1"	\$ 8.00	\$ 14.00	\$ 9.00	\$ 10.00	\$ 8.00	\$ 6.00	\$ 5.00	\$ 6.00	\$ 9.00	\$ 11.00
1 1/2"	\$ 14.00	\$ 35.00	\$ 15.00	\$ 10.00	\$ 14.00	\$ 6.00	\$ 5.00	\$ 6.00	\$ 9.00	\$ 35.00
2"	\$ 22.00	\$ 60.00	\$ 23.00	\$ 10.00	\$ 22.00	\$ 6.00	\$ 5.00	\$ 6.00	\$ 9.00	\$ 60.00
3"	\$ 45.00	\$ 150.00	\$ 46.00	\$ 10.00	\$ 45.00	\$ 6.00	\$ 5.00	\$ 6.00	\$ 9.00	\$ 150.00
4" & Above	\$ 75.00	\$ 250.00	\$ 77.00	\$ 10.00	\$ 75.00	\$ 6.00	\$ 5.00	\$ 6.00	\$ 9.00	\$ 250.00

1 Proposed increase from \$5.00 to \$6.00

2 Proposed increase from \$4.00 to \$5.00

**Wholesale Water Rates - Effective April 1, 2025**

Service Area/Rate	Wholesale - Purchased Capacity		Wholesale - With Storage	Off Peak
	Altoona	Bondurant	Water Development Co	
Demand/Base Rate per thousand Gallons	\$3.84	\$3.84	\$4.71	\$3.56
Fixed/Extra Capacity Rate Per Peak Unit	\$326.00	\$326.00	\$380.00	n/a
Avg Max Day Units (thousand gallons)	303	864	85	n/a

**BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, IOWA  
RESOLUTIONS SETTING RATES**

WHEREAS, the Board of Water Works Trustees of the City of Des Moines, Iowa, is a municipal utility organized and existing under Chapter 388, Iowa Code, and also known as the Des Moines Water Works (“DMWW”);

WHEREAS, Section 384.84, Iowa Code, authorizes the Board of Trustees of DMWW (“Board”) to adopt rates and charges to produce gross revenues at least sufficient to pay the expenses of operation and maintenance of the utility and to leave a balance of net revenues sufficient to pay the principal of and interest on the revenue bonds and pledge orders of the utility as they become due and to maintain a reasonable reserve for the payment of principal and interest and other obligations of the utility;

WHEREAS, DMWW is a Member Agency of the regional water authority established by DMWW and others as a separate public entity created under Chapter 28E and Chapter 28F, Iowa Code, known as the “Central Iowa Water Works” (“CIWW”), as provided in the Central Iowa Water Works 28E/28F Agreement, filed with the Iowa Secretary of State on April 11, 2024 with Filing Number M516883 (the “CIWW Agreement”);

WHEREAS, DMWW has certain obligations as a Member Agency of CIWW including the obligation to purchase drinking water from CIWW after its Operational Commencement Date, which is expected to be January 1, 2025, at rates established by the Board of Trustees of CIWW;

WHEREAS, DMWW will have certain costs and expenses in 2025 as set forth and analyzed in the 2025 Des Moines Water Works Cost of Service Study (“2025 COS”) as presented to the DMWW Board that include, but are not limited to, the obligations of DMWW to CIWW;

WHEREAS, the Board acknowledges that DMWW is required as a Member Agency of CIWW to set rates sufficient to meet its obligations to CIWW in light of review of CIWW’s Annual Budget and to certify the sufficiency of its rates annually to CIWW;

WHEREAS, the Board and the Finance & Audit Committee of the Board have reviewed the proposed 2025 Des Moines Water Works Rates set forth in Exhibit A attached hereto, as analyzed and set forth in the 2025 COS, and the Board finds that the proposed rates are based on a reasonable allocation of costs among its various classes of ratepayers and do not discriminate between members of different classes of ratepayers;

WHEREAS, the Board has invited comments and held a public hearing on the proposed 2025 Des Moines Water Works Rates set forth in Exhibit A attached hereto; and

WHEREAS, the Board, being advised that its staff and advisors have reviewed DMWW’s and CIWW’s preliminary budget information for 2025, including the 2025 rates recommended by CIWW and presented for adoption in November 2024 by CIWW, and the DMWW Board, being advised by review of the 2025 COS, finds that the proposed 2025 Des Moines Water Works Rates set forth in Exhibit A attached hereto are sufficient to produce gross revenues that are sufficient to

meet the obligations of DMMW and are in the best interests of the customers served by DMWW.

NOW, THEREFORE IT IS HEREBY RESOLVED, by the Board of Water Works Trustees of the City of Des Moines, Iowa:

Section 1. The Board hereby approves and adopts the 2025 Des Moines Water Works Cost of Service Study, as presented, and finds that the rates as set out in the 2025 Des Moines Water Works Rates set forth in Exhibit A attached hereto are based on a reasonable allocation of costs among its various classes of ratepayers and do not discriminate between members of different classes of ratepayers.

Section 2. That the Board finds the rates hereby approved and adopted are and will be:

- (a) Adequate to produce gross revenues at least sufficient to pay the expenses of operation and maintenance of the utility, including all of the utility's obligations to the Central Iowa Water Works in 2025, said obligations being an operating expense of the utility; and
- (b) Adequate to leave a balance of net revenues sufficient to pay the principal of and interest on the revenue bonds and pledge orders of the utility as they become due and to maintain a reasonable reserve for the payment of principal and interest and other obligations of the utility.

Section 3. That the 2025 Des Moines Water Works Rates set forth in Exhibit A attached hereto are hereby approved and adopted.

Section 4. That the 2025 Des Moines Water Works Rates set forth in Exhibit A attached hereto shall be effective February 1, 2025, except that the Wholesale Rates as stated therein shall be effective April 1, 2025.

Section 5. That the 2025 Des Moines Water Works Rates shall be published in the form set out in the Notice attached as Exhibit B hereto as soon as practicable after the date of this Resolution. Notice shall be given to wholesale customers as provided by the agreements with such customers.

Section 6. The Chief Executive Officer, General Manager & Board Secretary of DMWW and the Chief Financial Officer & Treasurer of DMWW, and each of them individually, are hereby authorized and directed to take any or all of the following actions: (a) to execute certificates attesting to the adoption of these Resolutions and the findings set forth herein; (b) to give any and all notices thereof, and of the of the rates so adopted, as they may determine to be necessary or appropriate, and (c) to take any and all other actions as they may determine to be necessary or appropriate to effectuate the foregoing.

EXHIBIT A: 2025 Des Moines Water Works Rates

**Des Moines Water Works  
2025 Water Rates**

**Residential Volume Rates (Per Thousand Gallons) - Effective February 1, 2025**

Service Area/Rate	Des Moines Inside City	Des Moines Outside City	Polk County	Pleasant Hill	Windsor Heights
<b>Residential</b>					
Water - Step 1	\$5.00	\$6.00	\$10.60	\$8.80	\$6.40
Water - Step 2	\$7.50	\$9.05	\$15.90	\$13.20	\$9.60
Water - Step 3	\$10.00	\$12.05	\$21.20	\$17.60	\$12.80
Irrigation	\$10.00	\$12.05	\$21.20	\$17.60	\$12.80
DMWW Sewer	n/a	n/a	n/a	n/a	n/a
Service Area/Rate	PCRWD #1	Berwick	Runnells	Cumming	Alleman
<b>Residential</b>					
Water - Step 1	\$4.95	\$4.20	\$7.95	\$8.20	\$9.75
Water - Step 2	\$7.40	\$6.30	\$11.95	\$12.30	\$14.60
Water - Step 3	\$9.85	\$8.40	\$15.90	\$16.40	\$19.50
Irrigation	\$9.85	\$8.40	\$15.90	\$16.40	\$19.50
DMWW Sewer	n/a	n/a	\$11.50	n/a	n/a

**Non-Residential Volume Rates (Per Thousand Gallons) - Effective February 1, 2025**

Service Area/Rate	Des Moines Inside City	Des Moines Outside City	Polk County	Pleasant Hill	Windsor Heights
<b>Non-Residential</b>					
Water - Step 1	\$6.40	\$8.05	\$12.65	\$11.75	\$6.55
Water - Step 2	\$4.30	\$6.05	\$7.70	\$9.90	n/a
Water - Step 3	\$3.30	\$4.30	\$6.00	n/a	n/a
<b>Capital Improvement</b>					
Cap Improv - Step 1	\$0.25	n/a	\$1.50	n/a	\$2.00
Cap Improv - Step 2	\$0.17	n/a	\$0.92	n/a	n/a
Cap Improv - Step 3	\$0.13	n/a	\$0.71	n/a	n/a
Service Area/Rate	PCRWD #1	Berwick	Runnells	Cumming	Alleman
<b>Non-Residential</b>					
Water - Step 1	\$6.55	\$5.60	\$10.60	\$10.95	\$13.00
Water - Step 2	n/a	n/a	n/a	n/a	n/a
Water - Step 3	n/a	n/a	n/a	n/a	n/a
<b>Capital Improvement</b>					
Cap Improv - Step 1	n/a	n/a	n/a	n/a	n/a
Cap Improv - Step 2	n/a	n/a	n/a	n/a	n/a
Cap Improv - Step 3	n/a	n/a	n/a	n/a	n/a

**Monthly Availability by Meter Size - Effective February 1, 2025**

Meter Size	Des Moines Inside City	Des Moines Outside City	Polk County	Pleasant Hill	Windsor Heights
5/8"	\$ 6.00	\$ 8.00	\$ 7.00	\$ 10.00	\$ 6.00
3/4"	\$ 7.00	\$ 10.00	\$ 8.00	\$ 10.00	\$ 7.00
1"	\$ 8.00	\$ 14.00	\$ 9.00	\$ 10.00	\$ 8.00
1 1/2"	\$ 14.00	\$ 35.00	\$ 15.00	\$ 10.00	\$ 14.00
2"	\$ 22.00	\$ 60.00	\$ 23.00	\$ 10.00	\$ 22.00
3"	\$ 45.00	\$ 150.00	\$ 46.00	\$ 10.00	\$ 45.00
4" & Above	\$ 75.00	\$ 250.00	\$ 77.00	\$ 10.00	\$ 75.00
Meter Size	PCRWD #1	Berwick	Runnells	Cumming	Alleman
5/8"	\$ 6.00	\$ 5.00	\$ 6.00	\$ 9.00	\$ 6.00
3/4"	\$ 6.00	\$ 5.00	\$ 6.00	\$ 9.00	\$ 8.00
1"	\$ 6.00	\$ 5.00	\$ 6.00	\$ 9.00	\$ 11.00
1 1/2"	\$ 6.00	\$ 5.00	\$ 6.00	\$ 9.00	\$ 35.00
2"	\$ 6.00	\$ 5.00	\$ 6.00	\$ 9.00	\$ 60.00
3"	\$ 6.00	\$ 5.00	\$ 6.00	\$ 9.00	\$ 150.00
4" & Above	\$ 6.00	\$ 5.00	\$ 6.00	\$ 9.00	\$ 250.00

**Wholesale Water Rates - Effective April 1, 2025**

Service Area/Rate	Wholesale - Purchased Capacity		Wholesale - With Storage	Off Peak
	Altoona	Bondurant	Water Development Co	
Demand/Base Rate per thousand Gallons	\$3.84	\$3.84	\$4.71	\$3.56
Fixed/Extra Capacity Rate Per Peak Unit	\$326.00	\$326.00	\$380.00	n/a
Avg Max Day Units (thousand gallons)	303	864	85	n/a

EXHIBIT B: Form of Notice for Publication

NOTICE OF RATES FOR DES MOINES WATER WORKS

PUBLIC NOTICE is hereby given that the Board of Water Works Trustees of the City of Des Moines, Iowa, a municipal utility organized and existing under Chapter 388, Iowa Code, and also known as the Des Moines Water Works (“DMWW”) has adopted rates with effective dates as set forth in the following Resolutions Setting Rates, adopted by the Board of Trustees of DMWW on the 29<sup>th</sup> day of October 2025:

WHEREAS, the Board of Water Works Trustees of the City of Des Moines, Iowa, is a municipal utility organized and existing under Chapter 388, Iowa Code, and also known as the Des Moines Water Works (“DMWW”);

WHEREAS, Section 384.84, Iowa Code, authorizes the Board of Trustees of DMWW (“Board”) to adopt rates and charges to produce gross revenues at least sufficient to pay the expenses of operation and maintenance of the utility and to leave a balance of net revenues sufficient to pay the principal of and interest on the revenue bonds and pledge orders of the utility as they become due and to maintain a reasonable reserve for the payment of principal and interest and other obligations of the utility;

WHEREAS, DMWW is a Member Agency of the regional water authority established by DMWW and others as a separate public entity created under Chapter 28E and Chapter 28F, Iowa Code, known as the “Central Iowa Water Works” (“CIWW”), as provided in the Central Iowa Water Works 28E/28F Agreement, filed with the Iowa Secretary of State on April 11, 2024 with Filing Number M516883 (the “CIWW Agreement”);

WHEREAS, DMWW has certain obligations as a Member Agency of CIWW including the obligation to purchase drinking water from CIWW after its Operational Commencement Date, which is expected to be January 1, 2025, at rates established by the Board of Trustees of CIWW;

WHEREAS, DMWW will have certain costs and expenses in 2025 as set forth and analyzed in the 2025 Des Moines Water Works Cost of Service Study (“2025 COS”) as presented to the DMWW Board that include, but are not limited to, the obligations of DMWW to CIWW;

WHEREAS, the Board acknowledges that DMWW is required as a Member Agency of CIWW to set rates sufficient to meet its obligations to CIWW in light of review of CIWW’s Annual Budget and to certify the sufficiency of its rates annually to CIWW;

WHEREAS, the Board and the Finance & Audit Committee of the Board have reviewed the proposed 2025 Des Moines Water Works Rates set forth in Exhibit A attached hereto, as analyzed and set forth in the 2025 COS, and the Board finds that the proposed rates are based on a reasonable allocation of costs among its various classes of ratepayers and do not discriminate between members of different classes of ratepayers;

WHEREAS, the Board has invited comments and held a public hearing on the proposed

2025 Des Moines Water Works Rates set forth in Exhibit A attached hereto; and

WHEREAS, the Board, being advised that its staff and advisors have reviewed DMWW's and CIWW's preliminary budget information for 2025, including the 2025 rates recommended by CIWW and presented for adoption in November 2024 by CIWW, and the DMWW Board, being advised by review of the 2025 COS, finds that the proposed 2025 Des Moines Water Works Rates set forth in Exhibit A attached hereto are sufficient to produce gross revenues that are sufficient to meet the obligations of DMMW and are in the best interests of the customers served by DMWW.

NOW, THEREFORE IT IS HEREBY RESOLVED, by the Board of Water Works Trustees of the City of Des Moines, Iowa:

Section 1. The Board hereby approves and adopts the 2025 Des Moines Water Works Cost of Service Study, as presented, and finds that the rates as set out in the 2025 Des Moines Water Works Rates set forth in Exhibit A attached hereto are based on a reasonable allocation of costs among its various classes of ratepayers and do not discriminate between members of different classes of ratepayers.

Section 2. That the Board finds the rates hereby approved and adopted are and will be:

- (a) Adequate to produce gross revenues at least sufficient to pay the expenses of operation and maintenance of the utility, including all of the utility's obligations to the Central Iowa Water Works in 2025, said obligations being an operating expense of the utility; and
- (b) Adequate to leave a balance of net revenues sufficient to pay the principal of and interest on the revenue bonds and pledge orders of the utility as they become due and to maintain a reasonable reserve for the payment of principal and interest and other obligations of the utility.

Section 3. That the 2025 Des Moines Water Works Rates set forth in Exhibit A attached hereto are hereby approved and adopted.

Section 4. That the 2025 Des Moines Water Works Rates set forth in Exhibit A attached hereto shall be effective February 1, 2025, except that the Wholesale Rates as stated therein shall be effective April 1, 2025.

Section 5. That the 2025 Des Moines Water Works Rates shall be published in the form set out in the Notice attached as Exhibit B hereto as soon as practicable after the date of this Resolution. Notice shall be given to wholesale customers as provided by the agreements with such customers.

Section 6. The Chief Executive Officer, General Manager & Board Secretary of DMWW and the Chief Financial Officer & Treasurer of DMWW, and each of them individually, are hereby authorized and directed to take any or all of the following actions: (a) to execute

certificates attesting to the adoption of these Resolutions and the findings set forth herein; (b) to give any and all notices thereof, and of the of the rates so adopted, as they may determine to be necessary or appropriate, and (c) to take any and all other actions as they may determine to be necessary or appropriate to effectuate the foregoing.

EXHIBIT A: 2025 Des Moines Water Works Rates

**Des Moines Water Works  
2025 Water Rates**

**Residential Volume Rates (Per Thousand Gallons) - Effective February 1, 2025**

Service Area/Rate	Des Moines Inside City	Des Moines Outside City	Polk County	Pleasant Hill	Windsor Heights
<b>Residential</b>					
Water - Step 1	\$5.00	\$6.00	\$10.60	\$8.80	\$6.40
Water - Step 2	\$7.50	\$9.05	\$15.90	\$13.20	\$9.60
Water - Step 3	\$10.00	\$12.05	\$21.20	\$17.60	\$12.80
Irrigation	\$10.00	\$12.05	\$21.20	\$17.60	\$12.80
DMWW Sewer	n/a	n/a	n/a	n/a	n/a
Service Area/Rate	PCRWD #1	Berwick	Runnells	Cumming	Alleman
<b>Residential</b>					
Water - Step 1	\$4.95	\$4.20	\$7.95	\$8.20	\$9.75
Water - Step 2	\$7.40	\$6.30	\$11.95	\$12.30	\$14.60
Water - Step 3	\$9.85	\$8.40	\$15.90	\$16.40	\$19.50
Irrigation	\$9.85	\$8.40	\$15.90	\$16.40	\$19.50
DMWW Sewer	n/a	n/a	\$11.50	n/a	n/a

**Non-Residential Volume Rates (Per Thousand Gallons) - Effective February 1, 2025**

Service Area/Rate	Des Moines Inside City	Des Moines Outside City	Polk County	Pleasant Hill	Windsor Heights
<b>Non-Residential</b>					
Water - Step 1	\$6.40	\$8.05	\$12.65	\$11.75	\$6.55
Water - Step 2	\$4.30	\$6.05	\$7.70	\$9.90	n/a
Water - Step 3	\$3.30	\$4.30	\$6.00	n/a	n/a
<b>Capital Improvement</b>					
Cap Improv - Step 1	\$0.25	n/a	\$1.50	n/a	\$2.00
Cap Improv - Step 2	\$0.17	n/a	\$0.92	n/a	n/a
Cap Improv - Step 3	\$0.13	n/a	\$0.71	n/a	n/a
Service Area/Rate	PCRWD #1	Berwick	Runnells	Cumming	Alleman
<b>Non-Residential</b>					
Water - Step 1	\$6.55	\$5.60	\$10.60	\$10.95	\$13.00
Water - Step 2	n/a	n/a	n/a	n/a	n/a
Water - Step 3	n/a	n/a	n/a	n/a	n/a
<b>Capital Improvement</b>					
Cap Improv - Step 1	n/a	n/a	n/a	n/a	n/a
Cap Improv - Step 2	n/a	n/a	n/a	n/a	n/a
Cap Improv - Step 3	n/a	n/a	n/a	n/a	n/a

**Monthly Availability by Meter Size - Effective February 1, 2025**

Meter Size	Des Moines Inside City	Des Moines Outside City	Polk County	Pleasant Hill	Windsor Heights
5/8"	\$ 6.00	\$ 8.00	\$ 7.00	\$ 10.00	\$ 6.00
3/4"	\$ 7.00	\$ 10.00	\$ 8.00	\$ 10.00	\$ 7.00
1"	\$ 8.00	\$ 14.00	\$ 9.00	\$ 10.00	\$ 8.00
1 1/2"	\$ 14.00	\$ 35.00	\$ 15.00	\$ 10.00	\$ 14.00
2"	\$ 22.00	\$ 60.00	\$ 23.00	\$ 10.00	\$ 22.00
3"	\$ 45.00	\$ 150.00	\$ 46.00	\$ 10.00	\$ 45.00
4" & Above	\$ 75.00	\$ 250.00	\$ 77.00	\$ 10.00	\$ 75.00
Meter Size	PCRWD #1	Berwick	Runnells	Cumming	Alleman
5/8"	\$ 6.00	\$ 5.00	\$ 6.00	\$ 9.00	\$ 6.00
3/4"	\$ 6.00	\$ 5.00	\$ 6.00	\$ 9.00	\$ 8.00
1"	\$ 6.00	\$ 5.00	\$ 6.00	\$ 9.00	\$ 11.00
1 1/2"	\$ 6.00	\$ 5.00	\$ 6.00	\$ 9.00	\$ 35.00
2"	\$ 6.00	\$ 5.00	\$ 6.00	\$ 9.00	\$ 60.00
3"	\$ 6.00	\$ 5.00	\$ 6.00	\$ 9.00	\$ 150.00
4" & Above	\$ 6.00	\$ 5.00	\$ 6.00	\$ 9.00	\$ 250.00

**Wholesale Water Rates - Effective April 1, 2025**

Service Area/Rate	Wholesale - Purchased Capacity		Wholesale - With Storage	Off Peak
	Altoona	Bondurant	Water Development Co	
Demand/Base Rate per thousand Gallons	\$3.84	\$3.84	\$4.71	\$3.56
Fixed/Extra Capacity Rate Per Peak Unit	\$326.00	\$326.00	\$380.00	n/a
Avg Max Day Units (thousand gallons)	303	864	85	n/a

EXHIBIT B: Form of Notice [Intentionally Omitted]

This notice is given by order of the Board of Water Work Trustees of the City of Des Moines, Iowa dated this 29<sup>th</sup> day of October, 2024.

BOARD OF WATER WORKS TRUSTEES OF  
THE CITY OF DES MOINES, IOWA

/s/ Ted Corrigan, CEO, General Manager & Board Secretary

**MEMORANDUM**

DATE: October 12, 2024

TO: Ted Corrigan, CEO and General Manager

FROM: Amy Kahler, Chief Financial Officer

SUBJECT: 2025 Cost of Service and Proposed Water Rates

**Background**

DMWW's Cost of Service ("COS") model, developed by Raftelis Financial Consultants and performed by DMWW annually, determines revenue requirements and distributes costs to customer classes. Raftelis is a nationally known financial advisor specializing in public-sector work. The firm has helped author the AWWA's rate setting manual, "Principles of Water Rates, Fees, and Charges," more commonly known in the water industry as the "M1 Manual." The COS model used by DMWW today is consistent with widely accepted industry cost and rate-making principles and is used as a guide in establishing DMWW's wholesale and retail water rates. DMWW's approach to rate setting is to identify costs by customer class and set rates such that all customer classes "pay their own way."

**Summary of Cost of Service Results Using 2025 Budget**

DMWW has completed the annual Cost of Service study using 2025 budgeted expenses. The complete COS report is attached to this memo and summary Figure 14 from the COS is shown below. These results serve as a basis for the rate recommendations within this memo.

**Changes Impacting the 2025 Cost of Service**

There are impacts to the Cost of Service with the formation of Central Iowa Water Works (CIWW) and Operational Commencement anticipated for January 1, 2025. There are many moving pieces in this first year of developing financial projections for both DMWW and CIWW, and this initial year should be considered a year of transition. The impacts of this transition are discussed in more detail within this memo.

**Figure 14: Cost of Service Results**

<u>Customer</u>	<u>Cost of Service</u>	<u>2/1 Proposed Rate Increase</u>	<u>2025 Projected Revenue</u>	<u>COS Recovery</u>
	(A)		(B)	(B / A)
<b>Retail</b>				
Des Moines Inside City	\$ 49,856,591	7%	\$ 38,979,600	78%
Des Moines Outside City	2,739,466	7%	2,819,616	103%
Less: Contribution from Reserves	(9,125,000)			
<b>Total: Retail</b>	<b>\$ 43,471,057</b>		<b>\$ 41,799,216</b>	<b>96%</b>
<b>Full Service</b>				
Polk County	\$ 8,834,018	7%	\$ 8,965,996	101%
Runnells	194,137	7%	190,647	98%
Cumming	174,934	7%	191,137	109%
Alleman	126,603	7%	162,660	128%
Pleasant Hill Inside City	3,510,162	7%	3,313,338	94%
PCRWD	237,679	10%/\$1 Avail Inc	195,031	82%
Berwick	324,680	10%/\$1 Avail Inc	210,592	65%
Windsor Heights	1,171,325	7%	1,058,936	90%
Less: Future FS Capital Costs	(2,223,745)			
<b>Total: Full Service</b>	<b>\$ 12,349,793</b>		<b>\$ 14,288,337</b>	<b>116%</b>
<b>Wholesale - PC</b>				
Altoona	\$ 295,056	7%/\$326 Per Avg Max Day*	\$ 117,071	40%
Bondurant	1,043,159	7%/\$326 Per Avg Max Day*	948,573	91%
<b>Total: Wholesale - PC</b>	<b>\$ 1,338,215</b>		<b>\$ 1,065,644</b>	<b>80%</b>
<b>Wholesale with Storage</b>				
Water Development Co	102,274	\$380 Per Avg Max Day**	108,142	106%
<b>Total: Wholesale with Storage</b>	<b>\$ 102,274</b>		<b>\$ 108,142</b>	<b>106%</b>
<b>Total: Utility</b>	<b>\$ 57,261,339</b>		<b>\$ 57,261,339</b>	<b>100%</b>

\* Avg Max Day represents the 5-year average of max day demand based on actual peaking factors.

\*\* No increase in Volume Rate for Wholesale w/ Storage

## Results

Figure 14 shows a summary of cost-of-service results by customer class and high-level rate recommendations based on these results. For most customer classes, a 7% rate increase is recommended. With this recommended rate increase, the customer classes are reasonably aligned in terms of fully recovering costs. Each customer class is discussed in more detail below:

### Retail

The retail customer class includes both Des Moines Inside City and Des Moines Outside City. In Figure 14 shows Inside City customers are under-recovering at 78%, although a programmed contribution from reserves of about \$9 million makes the class whole within an acceptable range of full recovery (96%).

The formation of Central Iowa Water Works arguably impacts no other CIWW member as much as it impacts DMWW. There are significant benefits to DMWW in terms of transferring risk to CIWW; ensuring an equitable sharing of costs, especially related to capacity expansion; collaboratively managing water resources; and benefitting from a more resilient regional system of water facilities.

As the regional water provider for decades, DMWW has managed the budget and prioritized costs and projects considering the needs of the system as a whole and has received retail and wholesale revenue to offset those costs. With the commencement of CIWW, the 2025 budget segregates costs into broad DMWW/CIWW categories for the first time. Operating and capital costs under CIWW responsibility, if incurred by DMWW initially, will be reimbursed by CIWW at actual cost, and DMWW will pay our share of those costs through CIWW wholesale water rates. With the transfer of costs comes the reassignment of related revenue; DMWW's revenue is reduced by nearly \$32 million in 2025 due to the transition of all but two wholesale customers to CIWW.

This combined reassignment of costs and revenues, along with an ambitious capital spending plan, results in Inside City costs being under-recovered in this initial year of transition. DMWW is in a strong cash position due to higher-than-projected pumpage and revenue in prior years, and staff recommends that \$9.1 million in cash reserves be infused into the budget for 2025 to offset this under-recovered position in the next fiscal year.

To ensure a sustainable financial position for this customer class longer-term, future year recommendations and decisions will need to consider annual budget and/or rate adjustments necessary to get the class to 100% recovery. This can occur over time, as DMWW anticipates receiving \$70+ million in funds under the terms of the CIWW 28E/F agreement related to the transfer of production assets to CIWW that will be programmed to support future Des Moines capital priorities and spending. A longer-term plan for improving the cost recovery for Des Moines Inside City will be developed in 2025 in conjunction with an update to the Five-Year Capital Improvement Plan (CIP).

### **Full Service**

The Full Service (also called Total Service) customer class as an aggregate group recovers greater than 100% of budgeted costs because most of these Full-Service areas have relatively few customers and significant capital needs in the face of projected growth. The rates are intentionally set at a level to accumulate the capital balances over time that will be necessary to sustain these growth-driven system improvements. Excess revenues are tracked and maintained for each separate Full Service area in a Capital Improvement Fund and are used for the sole benefit of capital projects in that specific service area.

As in prior years, Berwick and PCRWD #1 continue to show a lower cost recovery, and the rate recommendation for a 10% increase and an additional \$1 availability in these areas is in response to an under-recovered position in these areas.

## Wholesale

The Wholesale purchased capacity class has changed significantly due to the creation of CIWW. All but two wholesale customers—Altoona and Bondurant-- joined CIWW. Both communities hold purchased capacity; however, the similarities within this class end there, as both communities demand water from DMWW very differently.

Bondurant utilizes DMWW as its sole water provider and purchases water from DMWW every day of the year, providing a fairly consistent year-round demand, apart from seasonal peak usage. Altoona, on the other hand, relies on DMWW as an emergency supplier, peaking off DMWW in the summer and during times when its plants are shut down.

Because these customers have no similarities from a cost-of-service context beyond their status as holders of purchased capacity, DMWW will not recover full costs from this class as a whole without significantly over-recovering costs from customers consistently using water (i.e., Bondurant). This creates challenges in equitably setting rates for the class.

Staff's focus in this year of transition is moving to the wholesale rate structure that has been recommended for four to five years but deferred until regionalization discussions were finalized. This wholesale rate structure recovers costs more equitably from wholesale customers based on the demands each customer places on the system. The rate design includes a monthly fixed component that recovers fixed costs needed to serve on max day. Regardless of whether the community purchases any water, fixed costs to serve are recovered by this monthly fixed fee, rather than relying only on a volume rate to recover all costs (as is the case with the current wholesale rate structure).

This change in wholesale rate structure raises Altoona from 20% recovery in 2024 to 40% recovery in 2025. While still a position of significant under-recovery, it is substantial improvement, and under this rate structure, DMWW is recovering its fixed costs to serve Altoona.

Bondurant is not showing a full cost recovery in 2025 because these rates will only be in effect for nine months during 2025, from April – December. DMWW is contractually required to give 180-day notice to wholesale customers, so wholesale rates are effective on April 1 of each year.

A full year on this rate structure will result in full recovery from Bondurant and further improved cost recovery from Altoona.

The single customer in the With Storage Wholesale customer class that does not hold purchased capacity would transition to the same wholesale water rate structure as purchased capacity customers.

The following calculation illustrates how the wholesale rate structure effective 4/1/25 is applied using Altoona and Bondurant in Purchased Capacity Wholesale class.

Illustration of Calculated Charges under wholesale rate structure:

	Altoona	Bondurant	Total
<b>Recovery of Base Costs (Average Day)</b>			
Rate per thousand gallons (7% increase from 2024)	\$ 3.84	\$ 3.84	
Projected Consumption (thousand gallons)	11,356	194,703	206,059
Average Day Revenue	\$43,607	\$747,660	\$ 791,267
<b>Recovery of Extra Capacity Costs (Max Day)</b>			
Rate per Average Max Day Unit	\$ 326	\$ 326	
5-year Average Max Day (thousand gallons)	303	864	1,167
Max Day Revenue	\$ 98,778	\$ 281,664	\$ 380,442
Projected Annual Revenue (assuming 12 months)	\$142,385.04	\$1,029,323.52	\$1,171,708.56

**Volume Water Rates**

Attached to this memo is a chart showing the staff recommendation for 2025 volume water rates for each customer class. As discussed at the September Finance & Audit Committee meeting, residential rates for each service area are recommended to be restructured in inclining block rates based on the following steps:

Step	Volume	Designed to Recover Costs for	Rate
1	0 – 2,000 gallons	Essential household water needs	75% of rate in current structure
2	2,001 – 9,000 gallons	Typical indoor household water needs	150% of Step 1 rate
3	9,000+ gallons	Higher seasonal peak demand, such as lawn watering	200% of Step 1 rate

The new residential rate structure is proposed to include an inclining block rate to ensure that rates appropriately recover costs based on the demands customers place on the water system related to essential and typical household water needs and higher seasonal peak demands, including lawn watering.

The proposed inclining rate structure is designed around the industry standard of average household water usage at 6,000 gallons each month. About 90% of DMWW residential customers use less than 6,000 gallons each month. Customers using less than this 6,000-gallon average will see a \$1.00 to \$3.00 savings in their monthly water charges. Residential customers consuming more than 6,000 gallons of water but less than 9,000 gallons each month will see an increase of \$1.00 to \$3.00 in their monthly water charges under the proposed rate structure. Substantial lawn watering or other seasonal usage are expected to result in a higher cost per 1,000 gallons and higher monthly water charges under this proposed rate model.

Non-residential rates for commercial and industrial customers will continue to follow a declining block rate structure in 2025. These rates will be evaluated in 2025 for the 2026 rate implementation to determine if a change in rate design is recommended.

### **Capital Improvement Fees**

Capital improvement fees, where applicable, are included in the rate chart. Capital improvement fees for residential customers in Des Moines, Polk County, and Windsor Heights have been embedded in the inclining rate structure, and residential customers in these areas will no longer have separate capital improvement fees. Capital improvement fees will remain for commercial and industrial customers in these areas. For Des Moines Inside City and Polk County, the capital improvement fee is a decreasing block structure where the declining consumption blocks mirror that of the water volume rate. Windsor Heights has a uniform water rate and capital improvement fee.

### **Availability Fees**

Staff proposes to increase the monthly water availability for Berwick and PCRWD (a.k.a. Polk County Rural Water District #1 or “Saylor Township”) by \$1.00, as their availabilities are \$4.00 and \$5.00 respectively. This is inequitable to Des Moines Inside City’s availability of \$6.00 per month (for a typical residential meter) and is the result of past contractual negotiations. There is no cost-of-service basis for a lower water availability fee in these areas. The intent is to continue adjusting these fees until they at least match Des Moines’ availability fee.

Other than the changes to availability fees as discussed above, staff recommend no changes to availability fees. A summary of proposed availability fees by meter size is shown in the rate chart.

### **Summary**

There are many interwoven and moving parts to this year’s cost of service and rate analysis, primarily related to:

- the creation of CIWW and associated impacts to DMWW such as the need for more refined operating and capital cost categorizations, and including purchased water and reimbursement of operating and capital costs,
- reassignment of significant wholesale revenue to CIWW,
- implementation of a new wholesale rate structure, and
- implementation of an inclining block rate structure for residential customers in all service areas.

These are positive changes for the utility and our customers that demonstrate progress in ensuring equitable cost allocations and recoveries. Implementing any one of these changes in a single year would be substantial; implementing them all in the same year is ambitious and does carry some risk given the many moving parts. Considering these substantial changes during this year of transition, staff will be closely monitoring financial results in 2025 and will advise if course corrections are needed.



**AGENDA ITEM FORM**

**SUBJECT: 2025 Corporate Insurance**

**SUMMARY:**

The renewal date for corporate insurance policies is November 1, 2025. The premium cost and agency fees for the current and renewal programs are summarized below:

	<u>Current</u>	<u>Renewal</u>
• Property/Boiler & Machinery	\$285,728	\$377,833
• Equipment	15,472	15,472
• Inland Marine	26,014	27,465
• General Liability	296,315	195,120
• Auto Liability	78,329	77,201
• Packaged Terrorism Premium	9,394	5,768
• Umbrella Liability	366,099	390,787
• Crime	3,775	3,775
• D & O/Employment Practices Liability	62,463	69,177
• Fiduciary Liability	5,916	5,916
• Cyber Liability	80,220	79,870
• Flood	4,010	3,857
• Workers Compensation	114,485	124,290
• Drone Coverage	771	771
• Broker Service Fee	<u>20,000</u>	<u>20,000</u>
Total Cost	\$1,368,992	\$1,397,302

**FISCAL IMPACT:**

\$1,570,000 is budgeted in the Financial Services work plan in the proposed 2025 Budget.

**RECOMMENDED ACTION:**

Accept insurance renewal program submitted by AssuredPartners not to exceed \$1,397,302.

**BOARD REQUIRED ACTION:**

Motion to accept insurance renewal program submitted by AssuredPartners not to exceed \$1,397,302.

<i>Donna Heckman</i> 10/25/24 Donna Heckman Sr. Financial Analyst	(date)	<i>Amy Kahler</i> 9/25/24 Amy Kahler, CPA Chief Financial Officer	(date)	<i>Amy Kahler for</i> 10/25/24 Ted Corrigan CEO and General Manager	(date)
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## MEMORANDUM

DATE: October 24, 2024

TO: Ted Corrigan, CEO & General Manager  
Amy Kahler, Chief Financial Officer

FROM: Donna Heckman, Senior Financial Analyst

SUBJECT: 2025 Corporate Insurance Renewals

On an annual basis, our broker AssuredPartners (AP) works with our current insurance carriers to keep our premiums as low as possible. As explained at the October Finance & Audit committee meeting, the biggest area of concern for our 2025 renewal was related to our General Liability (GL) coverage and the corresponding Umbrella layers. Below are some steps that AP has taken:

- Our former Umbrella carrier was no longer able to market for public utilities.
- AP marketed our account to 35+ markets.
- Due to market constraints, AP needed to re-market our entire program since our current carrier, Cincinnati, would not offer a higher liability coverage. Cincinnati would remain as our property carrier.
- AP procured Glatfelter for our GL, Auto and first layer of Umbrella coverage.
- AP was able to procure all requested Umbrella layers (\$15M).

A few items to note/mention from AP on the state of the insurance industry:

- The property market continues to be extremely hard. Carriers are really trying to limit their exposure.
- The excess market has changed dramatically. Due to pricing increases in previous years' renewals, we lowered our coverage limits from \$50M to \$15M.
  - Reasons for pricing increases are due to social inflation, increased medical costs/payroll/litigious environment.
  - AP does not recommend reducing our coverage further.

Considering the volatile insurance industry and overall rising premium costs, staff will perform an analysis in 2025 to determine if self-insurance (or partial) is a more cost-effective alternative for DMWW in the future to manage risks.

On the next page, you'll find a breakdown of some of our lines of coverage.

**Property & Casualty:** For several years, our Property & Casualty coverage has been bundled with Cincinnati as the carrier. This year, we were able to get more favorable coverages and premiums by breaking up these policies. The chart below represents the total expiring and renewing premiums.

	<u>Carrier</u>	<u>Expiring</u>	<u>Carrier</u>	<u>Renewal</u>	
Property	Cincinnati	285,728	Cincinnati	377,833	
Equipment	Cincinnati	15,472	Cincinnati	15,472	
Inland Marine	Cincinnati	26,014	Cincinnati	27,465	
<b>Total Property</b>		<u>327,214</u>		<u>420,770</u>	28.59%
General Liability	Cincinnati	296,315	Glatfelter	195,120	
Automobile	Cincinnati	78,329	Glatfelter	77,201	
Terrorism Premium	Cincinnati	9,394	Glatfelter	5,768	
<b>Total Liability</b>		<u>384,038</u>		<u>278,089</u>	-27.59%
<b>Total</b>		<u>711,252</u>		<u>698,859</u>	-1.74%

With the change to Glatfelter, the deductible (retention) on our General Liability coverage will be reduced to \$25,000. The deductible is \$100,000 under the current Cincinnati plan. Glatfelter will also be our first layer of Umbrella Liability offering a \$5M layer.

**Umbrella Liability:** DMWW maintains \$15M of umbrella liability coverage across three layers. The cost of this coverage will increase by nearly 7%, from 366K to \$391K.

**Cyber Liability:** The cost of coverage for our 2025 Cyber Renewal is slightly lower than our 2024 premiums. Our IT Department contracts with a regional security partner to provide Virtual Chief Information Security Officer (vCISO) services. A vCISO is a service commonly utilized by mid-sized corporations to provide and assist with cybersecurity frameworks, risk management and overall cybersecurity resilience.

**Workers Compensation:** Since 2014, DMWW has been self-insured for Workers Compensation. In 2023/2024 two of our work comp injuries have breached the self-insured retention of our Excess Work Comp Policy. This policy protects DMWW against catastrophic losses. Not only are we seeing an increase in this premium, we will also see an increase in our Self-Insurance retention from \$500K to \$600K.

**Summary:** Attached is the current premium summary comparing expiring and renewal rates. The total estimated cost of renewing our coverage will be an increase of 2.07% from \$1,368,992 to \$1,397,302 from 2024 to 2025.

**Board of Water Works Trustees of the City of Des Moines Iowa**  
**Premium Summary - DRAFT**  
**11/1/2024 TO 10/31/2025**

	Existing	Renewal
Coverage	2023/2024	2024/2025
<b>Property</b>	<b>Cincinnati</b>	<b>Cincinnati</b>
Building Limit	\$450,001,223	\$464,505,430
Business Income	\$15,000,000	\$15,000,000
Flood	\$1M, \$5M, or \$10M	\$1M, \$5M, or \$10M
Earthquake	\$15,000,000	\$15,000,000
Flood Deductible	\$250,000	\$250,000
Earthquake Deductible	\$250,000	\$250,000
Deductible - All Other	\$100,000	\$100,000
Average Rate	\$0.0635	\$0.0788
<b>Terrorism Premium</b>	<b>Included</b>	<b>Included</b>
<b>Total Premium</b>	<b>\$285,728</b>	<b>\$377,833</b>
<b>Equipment Breakdown (11/1/22 to 11/1/25)</b>	<b>Cincinnati</b>	<b>Cincinnati</b>
Direct Damager per Accident	\$100,000,000	\$100,000,000
Spoilage Sublimit	\$100,000	\$100,000
Ammonia Contamination Sublimit	\$100,000	\$100,000
Hazardous Substance Sublimit	\$100,000	\$100,000
Business Income Limit	\$15,000,000	\$15,000,000
Deductible - All Other	\$100,000	\$100,000
<b>Total Premium</b>	<b>\$15,472</b>	<b>\$15,472</b>
<b>Inland Marine</b>	<b>Cincinnati</b>	<b>Cincinnati</b>
Scheduled Equipment Limit	\$2,484,856	\$2,595,292
Equipment Leased or Rented Limit	\$350,000	\$350,000
Deductible	\$5,000	\$5,000
<b>EDP Floater:</b>		
Equipment Limit	\$2,900,000	\$2,900,000
Data/Media Limit	Included in Eq Limit	Included in Eq Limit
Deductible	\$5,000	\$5,000
<b>Total Premium</b>	<b>\$26,014</b>	<b>\$27,465</b>
<b>Total Property Package</b>	<b>\$327,214</b>	<b>\$420,770</b>
<b>General Liability</b>	<b>Cincinnati</b>	<b>Glatfelter</b>
General Aggregate	\$2,000,000	\$3,000,000
Products CoOps Limit Aggregate	\$2,000,000	\$3,000,000
Occurrence Limit	\$1,000,000	\$1,000,000
Personal & Advertising Injury	\$1,000,000	\$1,000,000
Fire Damage	\$500,000	\$1,000,000
Medical Expense	\$10,000	\$10,000
Deductible - BI & PD	\$100,000 each occurrence *	\$25,000
*Beginning in 2024, includes 8% per claim handling Fee		
Employee Benefit Liability	\$1,000,000	TBD
Employee Benefit Aggregate	\$3,000,000	TBD
Employee Benefit Deductible	\$1,000	TBD
<b>Total Premium</b>	<b>\$296,315</b>	<b>\$195,120</b>

**Board of Water Works Trustees of the City of Des Moines Iowa**  
**Premium Summary - DRAFT**  
**11/1/2024 TO 10/31/2025**

	Existing	Renewal
Coverage	2023/2024	2024/2025
<b>Automobile</b>	<b>Cincinnati</b>	<b>Glatfelter</b>
Automobile Limit	\$1,000,000	\$1,000,000
Total # of units	101	102
Physical Damage Coverage	Hired Autos Only	Hired Autos Only
<b>Total Premium</b>	<b>\$68,278</b>	<b>\$77,201</b>
<b>Excess Automobile Liability</b>	<b>Cincinnati</b>	
Automobile Limit	\$1,000,000	
<b>Total Premium</b>	<b>\$10,051</b>	
<b>TRIA</b>	<b>\$9,394</b>	<b>\$5,768</b>
<b>Total Liability Package</b>	<b>\$384,038</b>	<b>\$278,089</b>
<b>Umbrella</b>	<b>Allied Public Risk</b>	<b>Glatfelter</b>
Limits of Liability	\$10,000,000	\$5,000,000
Retention Limit	\$0	\$0
<b>Total Premium</b>	<b>\$275,346</b>	<b>\$138,363</b>
<b>Surplus Lines Tax</b>	<b>\$2,753</b>	<b>\$0</b>
<b>2nd Layer of Umbrella Liability</b>	<b>Great American</b>	<b>Axis</b>
Limit of Liability	\$5,000,000	\$5,000,000
Retention	\$10,000,000	\$5,000,000
<b>Total Premium</b>	<b>\$88,000</b>	<b>\$147,424</b>
<b>3rd Layer of Umbrella Liability</b>	<b>Great American</b>	<b>Great American</b>
Limit of Liability		\$5,000,000
Retention		\$10,000,000
<b>Total Premium</b>		<b>\$105,000</b>
<b>Crime</b>	<b>Travelers</b>	<b>Travelers</b>
<b>Employee Dishonesty</b>	\$1,000,000	\$1,000,000
Deductible	\$5,000	\$5,000
<b>Total Premium</b>	<b>\$3,775</b>	<b>\$3,775</b>
<b>Excess Workers Compensation</b>	<b>MW Employers Casualty</b>	<b>MW Employers Casualty</b>
	<b>1/1/2023 - 1/1/2025</b>	
Employers Liability Limit	\$1,000,000	\$1,000,000
Aggregate Limit	\$1,000,000	\$1,000,000
Retentions:		
Each Accident	\$500,000	\$600,000
Each Employee for Disease	\$500,000	\$600,000
<b>Annual Premium</b>	<b>\$102,985</b>	<b>\$112,790</b>
<b>TPA - EMC Risk Fee</b>	<b>\$11,500</b>	<b>\$11,500</b>
<b>Total Premium / Expense</b>	<b>\$114,485</b>	<b>\$124,290</b>

**Board of Water Works Trustees of the City of Des Moines Iowa**  
**Premium Summary - DRAFT**  
**11/1/2024 TO 10/31/2025**

	Existing	Renewal
Coverage	2023/2024	2024/2025
<b>D&amp;O / Employment Practices Liability</b>	<b>Chubb</b>	<b>Chubb</b>
Directors & Officers Liability	\$5,000,000	\$5,000,000
Deductible	\$0 / \$50,000	\$0 / \$50,000
Employment Practices Liability	\$5,000,000	\$5,000,000
Deductible	\$100,000	\$100,000
Combined Policy Aggregate	\$5,000,000	\$5,000,000
<b>Premium</b>	<b>\$38,003</b>	<b>\$44,717</b>
<b>Excess D&amp;O / Employment Practices Liability</b>	<b>RSUI</b>	<b>RSUI</b>
Aggregate Limit	\$5,000,000	\$5,000,000
<b>Premium</b>	<b>\$23,960</b>	<b>\$23,960</b>
<b>Brokerage Fee</b>	<b>\$500</b>	<b>\$500</b>
<b>Total Premium</b>	<b>\$24,460</b>	<b>\$24,460</b>
<b>Fiduciary Liability (11/1/22 to 11/1/25)</b>	<b>Travelers</b>	<b>Travelers</b>
Fiduciary Liability Limit of Liability	\$3,000,000	\$3,000,000
Settlement Program Limit of Liability	\$250,000	\$250,000
HIPAA Limit of Liability	\$1,000,000	\$1,000,000
Deductible	\$0	\$0
<b>Total Annual Premium</b>	<b>\$5,916</b>	<b>\$5,916</b>
<b>3 Year Premium</b>	<b>\$17,748</b>	<b>\$17,748</b>
<b>Cyber Liability</b>	<b>Travelers</b>	<b>Travelers</b>
Limit of Liability	Confidential Information related to CyberSecurity	Confidential Information related to CyberSecurity
<b>Total Premium</b>	<b>\$80,220</b>	<b>\$79,870</b>
<b>Flood - 2201 George Flagg Parkway</b>	<b>Selective</b>	<b>Selective</b>
Building Limit	\$500,000	\$500,000
Contents Limit	\$500,000	\$500,000
Deductible	\$1,250	\$1,250
<b>Total Premium</b>	<b>\$2,774</b>	<b>\$2,666</b>
<b>Flood - 2201 George Flagg Parkway - Maintenance Bldg</b>	<b>Selective</b>	<b>Selective</b>
Building Limit	\$100,000	\$100,000
Contents Limit	\$20,000	\$20,000
Deductible	\$1,000	\$1,000
<b>Total Premium</b>	<b>\$1,236</b>	<b>\$1,191</b>
<b>Drone Coverage</b>	<b>Global</b>	<b>Global</b>
Insured Limit	\$2,035	\$2,035
Deductible	10%	10%
Personal Injury	\$1,000,000	\$1,000,000
Medical Expense	\$5,000	\$5,000
<b>Total Premium</b>	<b>\$771</b>	<b>\$771</b>
<b>Final Premiums</b>		
<b>Service Fee</b>	<b>\$20,000</b>	<b>\$20,000</b>
<b>COMBINED PREMIUMS</b>	<b>\$1,368,992</b>	<b>\$1,397,302</b>

NOTICE – If you have work on the effective date of this policy in any state not listed as a covered state, coverage WILL NOT be afforded unless you notify AssuredPartners within 30 days of the policy effective date.



DES MOINES WATER WORKS  
Board of Water Works Trustees

Agenda Item No. III-C  
Meeting Date: October 29, 2024  
Chairperson's Signature  Yes  No

**AGENDA ITEM FORM**

**SUBJECT: Proposed 2025 Budget – Establish a Public Hearing as the Date of the November 2024 Board Meeting**

**SUMMARY:**

- The 2025 budget includes the integration of Central Iowa Water Works 28E/F terms and financial components.
  - The budget for 2025 is based on total operating revenue of \$76.6 million.
  - The proposed operating budget totals \$62.1 million which is an increase of 2.1% (or \$1.3 million) over the approved 2024 budget. Chemical expenses are budgeted to be \$1.4 million lower in 2025 than the 2024 approved budget. The 2024 budget, developed in 2023, projected rising chemical costs. However, actual bids came in lower than expected, creating a favorable budget variance for 2025.
  - DMWW will produce water for CIWW under terms of an operating contract and will be reimbursed for full and actual production costs incurred, projected to be \$34.6 million. DMWW will purchase water from CIWW and resell to DMWW's direct retail customers. The cost of purchased water is projected to be \$28.9 million.
  - Capital expenditures budgeted for 2025 total \$50.5 million. Nearly half of the capital budget is related to regional production joint and expansion projects that will be reimbursed by CIWW.
  - There is \$5.2 million budgeted for the partial construction of an ASR well located at the Polk County Pump Station. This project is being funded by a State Revolving Fund loan.
  - The 2025 budget includes \$500,000 of debt service payments for construction efforts of the ASR well.
  - The 2025 budget includes a \$9.1 million infusion from excess reserves accumulated in previous years, due to pumpage exceeding budgeted levels.
- See the attached memo for detailed information concerning the proposed 2025 budget.
- These materials were discussed at the October Finance & Audit committee meeting on October 16, 2024.

**FISCAL IMPACT:**

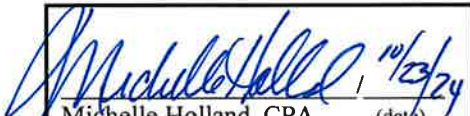
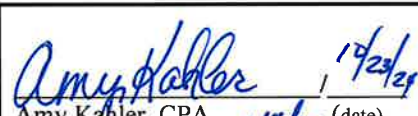

This budget establishes the 2025 operations and capital replacement needs for the utility and identifies funding sources to support the utility's operating and capital expenses.

**RECOMMENDED ACTION:**

Establish the date of Public Hearing as the date of the November 2024 Board meeting to act on the approval of the 2025 budget and direct staff to publish notice as set forth in the Board Policy Manual.

**BOARD REQUIRED ACTION:**

Motion to establish the date of Public Hearing as the date of the November 2024 Board meeting to act on the approval of the 2025 budget and direct staff to publish notice as set forth in the Board Policy Manual.

 Michelle Holland, CPA Controller	 Amy Kahler, CPA Chief Financial Officer	 Ted Corrigan CEO & General Manager
<i>10/23/24</i> (date)	<i>10/23/24</i> (date)	<i>10/29/24</i> (date)

Attachments: 2025 Budget Memo

DATE: October 11, 2024

TO: Ted Corrigan, CEO & General Manager

FROM: Amy Kahler, Chief Financial Officer  
Michelle Holland, Controller

SUBJECT: Proposed 2025 Budget

This year's budget process experienced several significant changes, including a new budget system and the integration of Central Iowa Water Works (CIWW) 28E/F terms and financial components. Because DMWW will be a water producing member and contract operator for CIWW, DMWW must now provide operational and capital cost information for CIWW's 2025 budget which is being developed simultaneously. The process has been designed to be iterative, with multiple exchanges of information between CIWW and water producing members like DMWW. Due to the formation of CIWW mid-year, this created timing challenges and accelerated deadlines for DMWW budget inputs.

The 2025 budget was prepared by DMWW staff for water and utility revenues, operating expenditures, and capital expenditures. This process continues to be very detailed and requires a high level of participation from all departments. Operating and capital expenses are budgeted by individual project. Those expenses are reviewed and ultimately balanced with available resources.

The robust activity-based process employed by DMWW was advantageous to identifying and segregating production costs vs. DMWW retail utility costs. With the formation of CIWW, additional elements of both revenue and expenses were incorporated into the budget to create an overall DMWW budget for 2025.

The 2025 budget, with highlights, discussion, and comparison to the 2024 budget, is presented on the following pages.

# DES MOINES WATER WORKS

## 2025 BUDGET HIGHLIGHTS

### Pumpage

2025 Budgeted Pumpage	18.2 billion gallons
2024 Budgeted Pumpage	18.2 billion gallons

- *Unchanged from prior year demand projection, budgeted to align with projected 2024 actual demand; pumpage down due to timely rainfalls*
- *\*Conservative projection\**

### Water Revenue

2025 Budgeted Water Revenue	\$57.3 million
2024 Budgeted Water Revenue	\$84.8 million

- *2025 budget includes ~\$31.6 million loss of wholesale revenue transitioning to CIWW;*
- *Assumes 7% rate increase to most customer classes, effective 2/1/2025;*
- *Incorporates a change to inclining block rate structure for residential customer classes;*
- *Incorporates a change to the wholesale water rate structure to recover an appropriate level of costs through a fixed rate component charged regardless of volume demanded*

### Operating Expenses

2025 Operating Expenses	\$62.1 million
2024 Operating Expenses	\$60.9 million

- *Increase of 2.1% or nearly \$1.3 million;*
- *Labor & benefits increased \$2.0 million due to additional staffing, wage rate increase;*
- *Chemicals down \$1.4 million from 2024 budget*

### Capital Expenses

Requests for New Projects in 2025	\$50.5 million
Requests for New Projects in 2024	\$54.4 million

- *\$10.0 million for water main replacement (DMWW)*
- *\$11.9 million for raw water/treatment expansion projects (on behalf of CIWW)*
- *\$5.6 million for replacements/upgrades at water treatment plants (on behalf of CIWW)*
- *\$5.2 million for construction of aquifer storage & recovery (ASR) well (DMWW)*

### Headcount

Additional staff in 2025 budget:

- +1 Engineering
- +1 Water Production
- +1 Water Distribution
- +1 Facilities Maintenance
- +1 Customer Service

# DES MOINES WATER WORKS PROPOSED 2025 BUDGET SUMMARY

<b>Revenues &amp; Other Funding</b>	<b>2025 Proposed Budget</b>
Operating Revenue	
Water Sales	\$ 57,261,339
Other Revenue	9,546,022
Operations Fees from CIWW	<u>692,773</u> <i>CIWW</i>
Total Operating Revenue	\$ 67,500,134
Funds from PY Excess Revenues	\$ 9,125,000
<b>Total Revenues &amp; Other Funding</b>	<b>\$ 76,625,134</b>
<b>Operating Expenditures</b>	
Purchased Water from CIWW	\$ 28,908,738 <i>CIWW</i>
Operating Expenses	62,141,113
Operating Expenses Reimbursed by CIWW	(34,638,645) <i>CIWW</i>
<b>Total Operating Expenditures</b>	<b>\$ 56,411,206</b>
<b>Capital Expenditures</b>	
Capital Expenses	\$ 50,506,077
DMWW Debt Service	500,000
Funding Received for Capital Projects	(30,792,149) <i>Some CIWW</i>
Replacement of Lead Service Lines	6,250,000
DMWW (SRF) Debt	\$ (6,250,000)
<b>Total Capital Expenditures</b>	<b>\$ 20,213,928</b>

# DES MOINES WATER WORKS

## REVENUE & FUNDING COMPARISON

Revenue & Other Funding	2025 Proposed Budget	2024 Approved Budget	Dollar Change	Percentage Change
<b>Revenue</b>				
Water Sales - DMWW	\$ 57,261,339	\$ 53,183,461	\$ 4,077,878	7.7%
Water Sales - CIWW	-	31,629,802	(31,629,802)	(100.0%)
Operations Fees from CIWW	692,773	-	692,773	
Penalties and Fees	450,000	450,000	-	0.0%
Other Sales and Services	3,280,022	3,258,216	21,806	0.7%
Billing Service Revenue	2,300,000	2,215,000	85,000	3.8%
Land & Building Use Revenue	216,000	216,000	-	0.0%
Connection Fees	1,500,000	600,000	900,000	150.0%
Interest Income	1,800,000	260,000	1,540,000	592.3%
<b>Total Revenue</b>	<b>67,500,134</b>	<b>\$ 91,812,479</b>	<b>\$ (24,312,345)</b>	<b>(26.5%)</b>
<b>Funds from Prior Years' Excess Revenues</b>	<b>9,125,000</b>	<b>1,080,000</b>	<b>8,045,000</b>	<b>744.9%</b>
<b>Total Revenue &amp; Other Funding</b>	<b>\$ 76,625,134</b>	<b>\$ 92,892,479</b>	<b>\$ (13,720,538)</b>	<b>(17.5%)</b>

The 2025 budgeted revenue is reduced to reflect that DMWW no longer directly serves most wholesale customers due to the formation of CIWW; only Altoona and Bondurant remain as DMWW’s purchased capacity wholesale customers.

**Water sales**

- Annual Pumpage 18.2 billion gallons in both 2025 proposed and 2024 approved budgets.
- Reflects 7% water rate increase for nearly all customer classes, effective 2/1/2025.

**Operations fees from CIWW**

- Represents a 2% margin paid on operating costs paid to water producing CIWW members per the 28E/F.

**Other sales and services**

- Represents departmental revenue such as reconnect fees, stop box repairs, distribution system repairs, lab testing, etc.

**Billing service revenue**

- Fees charged to various cities, including Des Moines, Pleasant Hill, Windsor Heights, and others for billing and collection services.
- Includes revenue from HomeServe USA for billing and collection of fees from the optional service line maintenance program for residential customers.

## **DES MOINES WATER WORKS**

### **REVENUE & FUNDING COMPARISON (continued)**

#### **Connection fees**

- System development fees are collected from developers or customers at the time of connection to the water system. System development fees recover costs for system capacity benefiting all customers, including source, treatment, transmission, pumping, and storage facilities. As DMWW is facing the need for additional capacity and increasing capacity costs due to growth, an increase in system development fees will be recommended within DMWW's published Rules & Regulations. The 2025 budget reflects an anticipated increase in fees and more closely aligns with actual experience in number of connections made.

#### **Investment & interest income**

- Represents interest received on bank accounts and investment income (interest and net purchased premium/discount funds) received at maturity.
- Actual investment and interest income is forecasted to be nearly \$2.0 million in 2024, significantly exceeding the budgeted amount.

#### **Funds from Prior Years' Excess Revenues**

- Actual pumpage – and therefore, water revenue – has been higher than budget for the last few years. This has provided an excess operating cash reserve, of which \$9.1 million will be infused into the 2025 budget.

## DES MOINES WATER WORKS OPERATING EXPENSES & FUNDING COMPARISON

Operating Expenditures	2025 Proposed Budget	2024 Approved Budget	Dollar Change	Percentage Change
<b>Purchased Water from CIWW</b>	<b>\$ 28,908,738</b>	<b>\$ -</b>	<b>\$ 28,908,738</b>	<b>-</b>
<b>Operating Expenses:</b>				
Labor	\$ 19,371,340	\$ 18,192,527	\$ 1,178,813	6.5%
Benefits	11,152,822	10,154,070	998,752	9.8%
Chemicals	8,512,754	9,887,667	(1,374,913)	(13.9%)
Residual Removal	2,003,205	1,687,768	315,437	18.7%
Plant Utilities	2,606,400	2,380,720	225,680	9.5%
Gasoline/Fuel	298,040	304,232	(6,192)	(2.0%)
Purchased Services	9,597,562	9,932,188	(334,626)	(3.4%)
Materials and Equipment	4,646,452	4,472,000	174,452	3.9%
Insurance	1,850,000	1,830,200	19,800	1.1%
General Utilities	1,229,766	1,175,966	53,800	4.6%
Telecommunications	335,347	308,628	26,719	8.7%
Training	267,225	290,275	(23,050)	(7.9%)
Casualty Loss	110,200	110,000	200	0.2%
Loss on Bad Accounts	160,000	150,000	10,000	6.7%
<b>Total Operating Expenses</b>	<b>\$ 62,141,113</b>	<b>\$ 60,876,241</b>	<b>\$ 1,264,872</b>	<b>2.1%</b>
<b>Funding</b>				
<b>Operating Expenses Reimbursed by CIWW</b>	<b>\$ (34,638,645)</b>	<b>\$ -</b>	<b>\$ (34,638,645)</b>	<b>-</b>
<b>Net Operating Expenditures</b>	<b>\$ 56,411,206</b>	<b>\$ 60,876,241</b>	<b>\$ (4,465,035)</b>	<b>(7.3%)</b>

### Purchased Water from CIWW & Expenses Reimbursed by CIWW

- CIWW Operational Commencement is anticipated on January 1, 2025. DMWW will produce water for CIWW under the terms of an Operating Contract and will be reimbursed for full and actual production costs incurred, projected to be \$34.6 million. DMWW will purchase water from CIWW and resell to DMWW's direct retail customers. The cost of purchased water in 2025 is projected to be \$28.9 million.

### Labor

- Operating labor hours have increased by nearly 12,500 hours.
- Increase 5.0 FTE in utility budget along with 2025 budgeted hours shifting from capital to operating projects.

# **DES MOINES WATER WORKS**

## **OPERATING EXPENSES & FUNDING COMPARISON (continued)**

### **Benefits**

- DMWW Pension contribution increased from \$1.2M in 2024 to \$1.6M in 2025.
- DMWW contribution to employee medical costs are budgeted to increase 7%, which is in the range of increases we've seen over the past few years.
- As wages increase, benefits tied to wages also increase. This includes the employer (DMWW) contributions for Social Security and Medicare taxes, IPERS, and DMWW deferred compensation plan.

### **Chemicals**

- Decrease of nearly \$1.4 million from the 2024 budget.
- The 2024 budget – prepared in 2023 - assumed continued rising costs of chemicals. Bids for chemical costs came in much lower than anticipated. Therefore, actual chemical expenses for 2024 will be lower than budgeted.

### **Residual Removal**

- Costs for residual removal from the Fleur Drive Water Treatment Plant remain nearly the same compared to 2024. Residuals from Fleur are removed as produced.
- The McMullen Water Treatment Plant goes through a multi-year cycle of residual removal utilizing two lagoons. The cycle consists of filling a lagoon, drying of the residual material, removing material from lagoon to a drying area, removing material from drying area to off-site storage or final disposal site.
- The 2025 budget estimates that 90,000 cubic yards of residuals will be removed from the east lagoon and placed in the drying area.

### **Plant Utilities**

- Electric and natural gas expenses for the three treatment plants remain flat compared to the 2024 budget.
- There is \$229,000 budgeted for the MidAmerican curtailment rebate. This rebate was reducing the utility expenses in 2024. The rebate was moved from utility expense to departmental revenue in 2025.

### **Gasoline/Fuel**

- Represents costs to fuel vehicles and equipment
- Both gasoline and diesel fuel costs are budgeted to increase slightly.

## DES MOINES WATER WORKS

### OPERATING EXPENSES & FUNDING COMPARISON (continued)

#### Purchased Services

- The largest drivers of the change in purchased services is shown in the table below.
- Engineering studies budgeted in 2025 include a system review for Pleasant Hill and cleaning and inspecting three tanks.

Purchased Services	2025 Proposed Budget	2024 Approved Budget	Dollar Change
Regionalization	\$ 15,000	\$ 1,080,000	\$ (1,065,000)
Engineering Studies	215,000	25,000	190,000
IT Maintenance Contracts	1,347,807	1,123,994	223,813
Plant Maintenance	1,001,034	819,498	181,536
<b>Total</b>	<b>\$ 2,578,841</b>	<b>\$ 3,048,492</b>	<b>\$ (469,651)</b>

Purchased Services budgeted in 2025 by category are shown in the table below.

Purchased Services	2025 Proposed Budget
PILOT	\$ 1,309,324
I.T. Maintenance Contracts	1,347,807
Plant Maintenance	1,001,034
Remote Site Maintenance	334,400
Distribution Maintenance/Repair	291,700
Stop Box Repairs	280,000
Banking/Audit/Payroll Fees	182,100
Credit Card/E-check/Bill-pay Fees	236,000
Mail Processing/Postage	711,000
Security	700,500
Facility Maintenance	316,500
Engineering Studies	215,000
Grounds Maintenance	215,700
Lead Service Lines	108,000
Vehicle Maintenance	151,500
“Other” Services (numerous)	2,348,497
<b>Total Purchased Services</b>	<b>\$ 9,597,562</b>

## **DES MOINES WATER WORKS OPERATING EXPENSES & FUNDING COMPARISON (continued)**

### **Materials and Equipment**

- Includes costs for supplies and materials used primarily in distribution, treatment plant and remote site maintenance, laboratory supplies, facility maintenance, and vehicle maintenance.

### **Insurance**

- Includes \$1.5M in premium costs for the utility's insurance policies.
- Workers' compensation claims are budgeted at \$300,000 in 2025.

### **Other Expenses**

- Budgeted expenses for general utilities, telecommunications, training, casualty loss, and bad debt write-off remain fairly consistent to the 2024 budget.

## DES MOINES WATER WORKS CAPITAL EXPENSES & FUNDING SOURCES

	2025 Proposed Budget	2024 Approved Budget	Dollar Change	Percentage Change
<b>Capital Expenditures</b>				
Requests for New Capital Projects	\$ 50,506,077	\$ 54,352,315	\$ (3,846,238)	(7.1%)
Capital Projects Carried Over from Prior Years' Budget	-	15,047,830	(15,047,830)	(100.0%)
<b>Total Capital Expenses</b>	<b>\$ 50,506,077</b>	<b>\$ 69,400,145</b>	<b>\$ (18,894,068)</b>	<b>(27.2%)</b>
<b>DMWW Debt Service</b>	<b>\$ 500,000</b>	<b>\$ 170,000</b>	<b>\$ 330,000</b>	<b>194.1%</b>
<b>Capital Funding Sources</b>				
Unspent Funds Carried Over from PY Approved Budget	\$ -	\$ (15,047,830)	\$ 15,047,830	(100.0%)
Funded by CIWW - Expansion Projects	(11,871,849)	(17,170,323)	5,298,474	(30.9%)
Funded by CIWW - Joint Projects	(12,047,897)	-	(12,047,897)	
Funded by SRF proceeds (DMWW Debt)	(5,200,062)	(3,344,754)	(1,855,309)	55.5%
Funded by Others	(1,612,341)	(1,431,000)	(181,341)	12.7%
Development Plan Review	(60,000)	(60,000)	-	0.0%
American Rescue Plan Act (ARPA) funds through City DM	-	(500,000)	500,000	(100.0%)
<b>Total Capital Funding Sources</b>	<b>\$ (30,792,149)</b>	<b>\$ (37,553,907)</b>	<b>\$ 6,761,758</b>	<b>(18.0%)</b>
<b>Regulatory Assets</b>				
Lead Service Line Replacement	\$ 6,250,000	\$ -	\$ 6,250,000	
Funded by SRF proceeds (DMWW Debt)	(6,250,000)	-	(6,250,000)	
<b>Net Cost for Regulatory Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Net Capital Expenditures</b>	<b>\$ 20,213,928</b>	<b>\$ 32,016,238</b>	<b>\$ (11,802,310)</b>	<b>(36.9%)</b>

The 2025 capital budget includes \$50.5 million of new capital requests. Nearly half of this amount is related to regional production joint and expansion projects that will be reimbursed by CIWW.

The 2025 budget does not include expenses for capital projects that were approved in a prior year's budget, also referred to as carryover. In previous years, Engineering staff assessed the expected work completion for each project by December 31st and compared it to the budgeted amount. Any unspent funds were classified as carryover. At year-end, the estimates were adjusted to reflect the actual expenses incurred. Engineering and Finance staff will determine the carryover amounts after the beginning of the year, once actual expenses are known.

The 2025 budget includes \$500,000 of debt service payments for construction efforts related to ASR well.

## **DES MOINES WATER WORKS CAPITAL EXPENSES & FUNDING SOURCES (continued)**

### **Highlights of the Capital Budget:**

- Water Main Replacement
  - Includes nearly \$10.0 million of water main replacement in Des Moines, Pleasant Hill, Windsor Heights, and the unincorporated areas of Polk County.
  - In Des Moines and Polk County, staff continue to coordinate with the City of Des Moines, Polk County, and IDOT to integrate water system improvements within others' contracts, while also preserving funds to generate our own water main replacement contracts.
  
- ASR Well
  - The 2025 budget contains \$5.2 million for partial construction of the new ASR well being built at the Polk County Pump Station site. This is budgeted to be funded by an SRF loan.
  
- Facility Management
  - There are several capital projects budgeted under the facilities' workplan totaling \$6.0 million. Most of the projects budgeted for 2025 focus on replacements and upgrades at the main campus on Fleur Drive.
  
- Remote Sites
  - There is \$3.2 million dollars budgeted to begin construction on replacing the existing SE Polk-Bondurant Pump Station. There is partial funding for this project from Bondurant.
  
- Water Treatment Plants
  - The Fleur Drive Water Treatment Plant budget includes projects totaling \$3.4 million. Projects in the 2025 budget include preliminary engineering design efforts to rehabilitate the filter plant, continued efforts to upgrade the 5kV system at Fleur Drive, piping replacements on the CO2 system, SCADA master plan efforts, and ongoing recharging of the treatment basins.
  - The McMullen Water Treatment Plant budget includes \$1.4 million for rehabilitating a collector well, exterior painting of the 20+ year old facility, and upgrading the reservoir tunnel and channel.
  - The Saylorville Water Treatment Plant budget includes \$800,000 designated for ongoing projects related to the replacement of reverse osmosis (RO) and ultrafiltration (UF) membranes.

## **DES MOINES WATER WORKS CAPITAL EXPENSES & FUNDING SOURCES (continued)**

- Expansion Projects
  - Ongoing design costs and targeted analyses related to expanding both the source and treatment elements of the plant from 10 MGD to 20 MGD are budgeted at \$2.8 million.
  - There is \$8.8 million budgeted for construction of feeder mains related to the expansion projects.
    - Extension of a feeder main in Johnston to allow a direct feeder main connection from the Saylorville Water Treatment Plant to existing feeder mains located near Merle Hay Road.
    - Construction of a feeder main connection on Hickman Road that will enhance flows from Tenny Standpipe and the Fleur Drive Water Treatment Plant to the LP Moon Pumping and Ground Storage site located in Clive.
    - Completing alterations of a feeder main on Hickman ahead of the DOT project to redo the intersection of Hickman and I-35.
    - Initial preliminary design costs for a 25 MGD expansion. This includes both source water and treatment expansion projects.
- Departmental Capital
  - There is nearly \$7.3 million budgeted for departmental capital. The departmental projects are budgeted each year to maintain and upgrade assets such as IT hardware and infrastructure, replacement of hydrants and valves in the distribution system, replacement of meters and MTUs used for customer billing, replacement and upgrading of motors, pumps, and other individual parts used in the water treatment process, vehicles and equipment, and facility upgrades.

The entire list of capital projects, amounts proposed in the budget, and funding sources are on page 14.

## **DES MOINES WATER WORKS**

### **CAPITAL EXPENSES & FUNDING SOURCES (continued)**

Capital funding sources consist of several components in the 2025 budget.

- CIWW production-related joint and capacity expansion projects
  - DMWW will pay our share of these costs through CIWW water rates, or “Purchased Water” within this budget.
- Iowa State Revolving Fund (SRF) Loan
  - The partial construction of an ASR well at the Polk County Pump Station site is budgeted to be funded with an SRF loan.
- Funded by Others
  - Anticipated funding from Bondurant to replace the existing SE Polk/Bondurant Pump station with a new above ground facility. This is a cost-share project, with Bondurant funding approximately 50% of the project cost.

Net capital expenditures of \$20.2 million are budgeted to be funded from the utility’s revenue in 2025.

#### **Regulatory Assets**

The 2025 budget includes \$6.2M for the replacement of 600 customer-owned lead service lines in Des Moines. These expenses are offset by proceeds from DMWW (SRF) debt, of which we expect 49% will be forgivable.

# DES MOINES WATER WORKS

## CAPITAL PROJECTS by FUNDING SOURCE

The next two pages identify all the capital projects budgeted for 2025 with the associated source of funding.

WORKPLAN/PROJECT	DMWW	DMWW -SRF	CIWW Joint	CIWW Expansion	DMWW / Bondurant
<b>Water Main Replacement</b>					
Des Moines	\$ 7,220,384				
Polk County	1,597,304				
Pleasant Hill	1,121,405				
Windsor Heights Carryover - Labor Only	11,913				
<b>Core Network Feeder Mains</b>					
Joint Seal 16th & Tuttle			\$ 1,072,597		
<b>ASR Well</b>					
ASR Well @ Polk County Pump Station		\$ 5,200,062			
<b>Facility Management</b>					
Distribution Bldg Upgrades	1,741,713				
Roof Replace & Repairs	233,685				
Safety Compliance	117,073				
Facility Mgmt Carryover - Labor Only	5,780				
FDTP Levee Improvement			1,712,884		
FDT - HVAC			869,462		
Riverbank Protection			518,036		
FD Center Court Parking Lot			349,780		
MWTP Safety Showers & Tempering			212,426		
PS UM/CSS Remodel			159,446		
FDT Levee Gates			46,473		
Facility Mgmt Carryover - Labor Only			7,480		
<b>Fleur Drive Water Treatment Plant</b>					
Filter Plant Rehabilitation			1,030,968		
5kv Switch Gear Controls Upgrade			780,234		
Treatment Basin Rechain			689,896		
ELL Isolation Valve			543,403		
CO2 Feed System			290,994		
FD Carryover Projects - Labor Only			60,574		
<b>McMullen Water Treatment Plant</b>					
Maffitt Reservoir Tunnel & Channel			264,780		
Paint MWTP			448,447		
Rehab Collector Wells			664,426		
McM Carryover Projects - Labor Only			14,829		
<b>SWTP Water Treatment Plant</b>					
RO Membrane Replacement (ongoing)			228,622		
UF Membrane Replacement			584,694		

## DES MOINES WATER WORKS

### CAPITAL PROJECTS by FUNDING SOURCE (continued)

WORKPLAN/PROJECT	DMWW	DMWW -SRF	CIWW Joint	CIWW Expansion	DMWW / Bondurant
<b>Capacity Expansion</b>					
Expansion of Raw Water - 10 MGD				\$ 2,781,121	
Tenny to LP Moon Feeder Connection				4,022,580	
SWTP - West Feeder Main Ph 3 Const				3,179,911	
Hickman Feeder				1,558,456	
Treatment & Transmission Expansion - 25 MGD				287,528	
Source Water Expansion - 25MGD				42,252	
<b>Remote Sites</b>					
SE Polk-Bondurant Pump Station					\$ 3,217,156
<b>Development Plan Review</b>					
Development Plan Review	326,619				
<b>Departmental Capital</b>					
Customer Service - Meters & MTUs	2,110,959				
Info Technology - Hardware/Infrastructure	557,744				
Distribution - Valves, Hydrants, Equipment	1,733,936				
Production - Motors, Pumps, Reinvestment			1,247,447		
Vehicles & Equipment	1,302,600				
Building Improvements			250,000		
Grounds	88,000				
<b>Total by Funding Source</b>	<b>\$ 18,169,114</b>	<b>\$ 5,200,062</b>	<b>\$ 12,047,897</b>	<b>\$ 11,871,849</b>	<b>\$ 3,217,156</b>

## PURCHASES EXCEEDING CEO SPENDING AUTHORITY

Revisions to the Board Policy Manual related to spending authorities were approved at the May 2024 board meeting. One of those revisions requires a new schedule presented to the Board of Trustees at the time of budget approval showing specific purchases in the upcoming budget year that are in excess of the CEO's spending authority. The spending authority is 0.2% of the operating budget, rounded up to the nearest \$5,000. For 2025, the amount is \$125,000. This schedule does not include recurring expenses, including chemicals, utilities, etc.

<b>Purchases Exceeding CEO Spending Authority</b>	
Freightliner 25-ton Dump Truck	\$ 133,000
Cat Dozer with cab	125,000
Rebuild of ELL Pump #2	200,000
Rebuild of DM River Pump #3	300,000
Purchase Treatment Basin Rechainning Parts	150,000
Purchase of RO Membranes	160,000
Purchase of UF Membranes	350,000

# DES MOINES WATER WORKS

## MULTI-YEAR CAPITAL PROJECTS

There are significant dollars budgeted in 2025 for projects that will take more than a year to construct or implement. The chart below shows the budgeted expenses in 2025 along with an estimate of the total cost of the project. Several of these projects have incurred expenses prior to 2025 but still have expenditures to be budgeted in future years. These projects have been included in the 5-year Capital Improvement Plan and are estimated in today’s dollars. Certainly, as the design work is completed, the scope of work is identified, and the projects go through the formal bidding process, the amounts will be updated in future budget years.

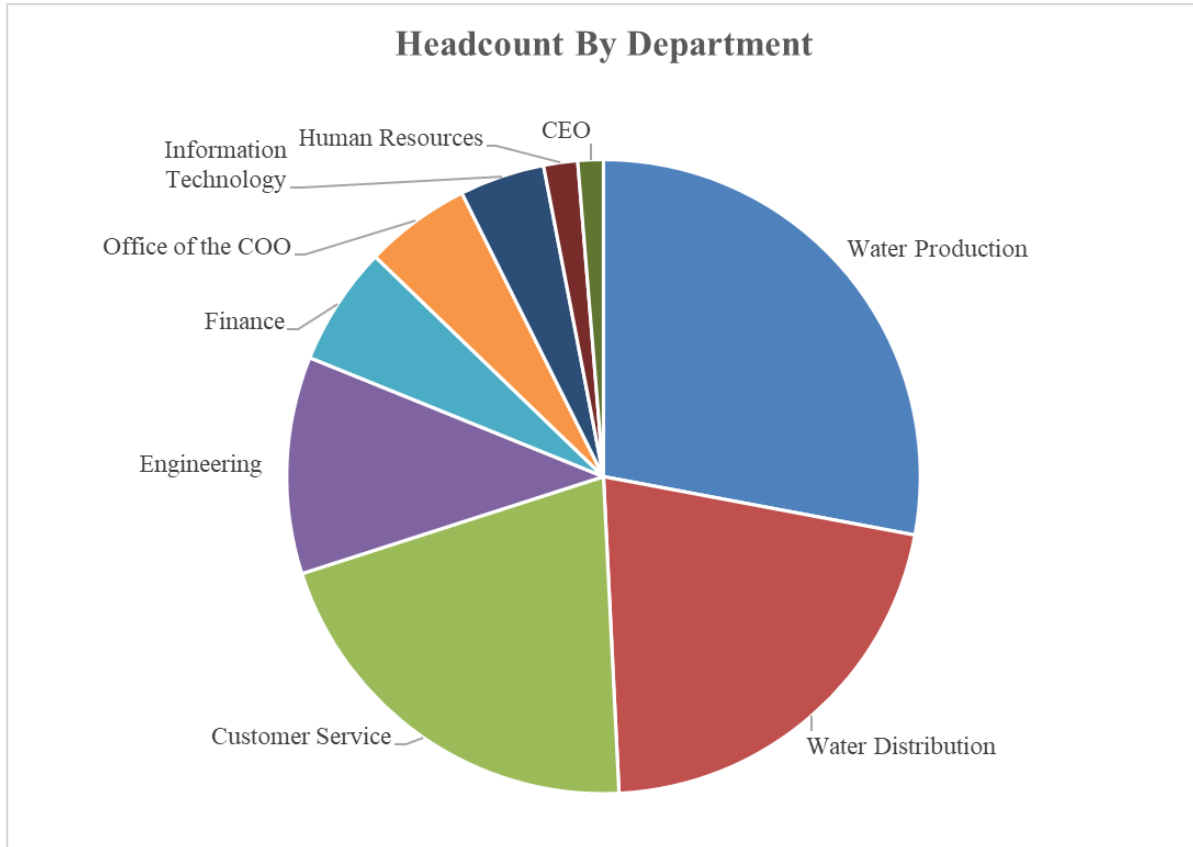
Projects	2025 Budget	Total Project Cost
<i>(in millions)</i>		
<b>DMWW - SRF</b>		
ASR Well @ Polk County Pump Station	\$ 5.2	\$ 11.5
<b>CIWW - Joint</b>		
Filter Plant Rehabilitation	\$ 1.0	\$ 50.7
5kv Switch Gear Controls Upgrade	0.7	7.9
<b>Total</b>	<b>\$ 1.7</b>	<b>\$ 58.6</b>
<b>CIWW - Expansion</b>		
Expansion of Raw Water - 10 MGD	\$ 2.8	\$ 55.6
Plant Expansion - 10 MGD	-	78.2
Tenny to LP Moon Feeder Connection	4.0	6.7
SWTP - West Feeder Main Ph 3 Const	3.2	12.7
Treatment & Transmission Expansion - 25 MGD	0.3	379.5
Source Water Expansion - 25MGD	0.0	52.8
<b>Total</b>	<b>\$ 10.3</b>	<b>\$ 585.5</b>
<b>DMWW/Bondurant</b>		
SE Polk-Bondurant Pump Station	\$ 3.2	\$ 6.4

# DES MOINES WATER WORKS

## LABOR EXPENSES

Labor and benefit costs make up a significant portion of the utility’s budget.

Labor expenses for both operating and capital projects amount to nearly \$22.1 million, covering 223.4 full-time equivalent positions.



The 2025 budget provides for an increase of 5.0 FTEs to the overall headcount.

- Engineering Project Manager for continued efforts related to capital projects.
- Water Production Engineer for specific understanding of treatment processes and for succession planning.
- WD Crew Leader to support pipelines team and enhance work/life balance.
- Customer Service Support Representative maintain a higher level of support for DMWW customers.
- Facilities maintenance position for ongoing maintenance efforts and to support the 5-year facility maintenance plan.

## DES MOINES WATER WORKS BENEFITS EXPENSES

Benefit expenses total roughly \$11.2 million and include costs for insurance premiums, employer contributions to IPERS, deferred compensation, and social security taxes, contributions to the DMWW pension plan and flex pay.

	2025 Proposed Budget	2024 Approved Budget	Percentage Change
<b>Labor &amp; Benefits</b>			
<b>Labor</b>			
Operating	\$ 19,371,340	\$ 18,192,527	
Capital	2,692,550	2,855,557	
	<b>\$ 22,063,890</b>	<b>\$ 21,048,085</b>	4.8%
<b>Benefits</b>			
Insurance Premiums			
Employee Medical	4,474,622	\$ 4,266,470	
Retiree Medical	322,700	272,800	
Life/LTD/AD&D	73,000	68,300	
Retirement Expenses			
IPERS (9.44%)	2,117,700	1,954,300	
FICA taxes (7.65%)	1,716,100	1,583,700	
DMWW Pension	1,600,000	1,200,000	
Deferred Compensation	423,200	392,100	
Flex Dollars	400,000	390,900	
Car Allowance	25,500	25,500	
Total Benefits	<b>\$ 11,152,822</b>	<b>\$ 10,154,070</b>	9.8%
<i>% of total labor</i>	<i>50.5%</i>	<i>48.2%</i>	
<b>Total Labor &amp; Benefits</b>	<b>\$ 33,216,712</b>	<b>\$ 31,202,155</b>	6.5%

# DES MOINES WATER WORKS

## OPERATING EXPENSES BY DEPARTMENT

	2025	2024		
CUSTOMER SERVICE	Proposed Budget	Approved Budget	Dollar Change	Percentage Change
Operating Revenue	\$ 723,000	\$ 1,023,000	\$ (300,000)	-29.3%
Operating Expenses	\$ 3,700,899	\$ 3,530,532	\$ 170,367	4.8%

Staffing request for an additional Customer Service Support Representative to maintain a superior level of support for DMWW customers.

- Contact Center & Data Quality
  - Responds to telephone, walk-in, and written communication from DMWW customers
  - Encompasses account maintenance and quality assurance.
  
- Collections & Dispatch
  - Provides 24-hour support for the utility with an emphasis on Field Service and Distribution Field Operations
  - Encompasses collection efforts, involving liens, in-house collections and bad-debt write-offs.
  
- Field Customer Service & Water Quality
  - Includes costs to complete work orders, repair meters and stop boxes, and administration of contracted plumbers.
  - Replacing aging/failing MTUs and testing large meters throughout the DMWW service areas.
  - Managing the Cross Connection Control program in accordance with federal, state and local codes.
  
- Public Relations & Communications
  - Includes funds to provide information and a positive utility image utilizing print media, the DMWW website, social media, and advertisements.
  - Create and distribute communication materials.
  - Facilitate marketing & public relations endeavors.
  - Provides leadership and assistance in the areas of communications, graphics, and public relations.
  
- Customer Service Administration

**DES MOINES WATER WORKS  
OPERATING EXPENSES BY DEPARTMENT**

	<b>2025 Proposed Budget</b>	<b>2024 Approved Budget</b>	<b>Dollar Change</b>	<b>Percentage Change</b>
<b>ENGINEERING</b>				
Operating Revenue	\$ -	\$ -	\$ -	
Operating Expenses	\$ 780,986	\$ 470,533	\$ 310,453	66.0%

Staffing request for an additional Project Manager. This position will have some hours in operating projects but will primarily focus on the capital efforts of the utility. The increase in expenses is mainly attributed to higher labor hours for the Engineering staff involved in operational efforts. This more accurately reflects the allocation of actual expenses

- Engineering Studies
  - Covers costs to conduct engineering studies to determine the feasibility of potential future capital projects for the utility.
  - Included items are cleaning and inspecting three tanks and a system review for Pleasant Hill.
- Engineering Administration

## DES MOINES WATER WORKS OPERATING EXPENSES BY DEPARTMENT

	2025 Proposed Budget	2024 Approved Budget	Dollar Change	Percentage Change
<b>FINANCE</b>				
Operating Revenue	\$ 80,000	\$ 80,000	\$ -	0.0%
Operating Expenses	\$ 5,907,735	\$ 5,720,603	\$ 187,132	3.3%

Staffing request for a Team Lead Building Maintenance Utility Worker to address ongoing maintenance efforts and to lead efforts of the 5-year building maintenance plan.

- Financial Services
  - Includes the costs for the core services of finance, including payroll, accounts payable, financial reporting, budgeting, banking, and cost of service.
  - Provides resources for the annual audit done by an external auditing firm.
  - Includes costs for corporate insurance premiums and the PILOT to City of Des Moines.
- Payment Processing
  - Contains costs for receiving and processing customer check payments.
  - Includes fees associated with electronic payment processing.
  - Labor expenses for daily balancing of accounts receivable.
- Finance Administration
  - Along with costs for department administration, this workplan includes utility-wide costs for coffee and related supplies, shredding services, and general office mail.
- Purchasing
  - Managing negotiations and procurement of materials, supplies, inventory, and services for the utility.
- Central Stores
  - Manages the inventory of the utility by receiving and issuing of inventory.
- Facility Maintenance
  - Provides for costs of repairs, improvements, and cleaning of the facilities at the main campus and other sites.
- GDMBG In-Kind Services
  - Includes \$25,000 for annual payment per agreement.
  - This is the final year of the in-kind payment.

# DES MOINES WATER WORKS

## OPERATING EXPENSES BY DEPARTMENT

	2025 Proposed Budget	2024 Approved Budget	Dollar Change	Percentage Change
<b>HUMAN RESOURCES</b>				
Operating Revenue	\$ -	\$ -	\$ -	
Operating Expenses	\$ 1,139,849	\$ 1,153,145	\$ (13,296)	-1.2%

The HR budget for 2025 aligns closely with the 2024 budget.

- Employee Relations
  - Provides for labor/management committees, recognition initiatives, the Spigot employee newsletter, employee meetings, etc.
  - Administration costs for DMWW drug-free workplace program and the workers' compensation program.
  
- Workers' Compensation
  - Captures costs for workers' compensation claims.
  
- Employment
  - Provides funds for the recruitment and selection of new DMWW employees.
  - Outlines diversity initiatives and workforce planning.
  
- Compensation & Benefits
  - Includes costs for the performance management systems and maintaining competitive, cost effective and compliant employee compensation, benefits, and wellness program.
  
- Employee Learning & Growth
  - Provides for the planning, administration, and coordination of utility-wide employee training, career development, and succession planning.
  
- HR Administration

# DES MOINES WATER WORKS

## OPERATING EXPENSES BY DEPARTMENT

INFORMATION TECHNOLOGY	2025 Proposed Budget	2024 Approved Budget	Dollar Change	Percentage Change
Operating Revenue	\$ -	\$ -	\$ -	
Operating Expenses	\$ 3,255,641	\$ 2,963,082	\$ 292,559	9.9%

The annual maintenance contracts for the various systems utilized at the utility continue to experience steady increases.

- **Technical Services**
  - Includes funds to provide technical support for all hardware and software components used for client computing.
  - Costs include file serving, printing, computer operations, help desk support, and PC upgrades and patches.
  
- **IT Development**
  - Provides funds for application support and application development.
  
- **System Services**
  - Captures costs for technical support for all network hardware, software, and components used for utility computing.
  - Includes networking, disaster recovery, security, and internet connectivity.
  
- **IT Services**
  - Provides resources to support all facets of software and hardware as they relate to core IT services including in-house software applications, purchased applications, support reporting, and technical consulting.
  - Includes maintenance contracts for CIS, Aclara One, EAM, SCADA, GIS, LIMS, and other departmental software.
  
- **IT Administration**

# DES MOINES WATER WORKS

## OPERATING EXPENSES BY DEPARTMENT

OFFICE of the CEO	2025 Proposed Budget	2024 Approved Budget	Dollar Change	Percentage Change
Operating Revenue	\$ -	\$ -	\$ -	
Operating Expenses	\$ 1,098,772	\$ 2,172,016	\$ (1,073,244)	-49.4%

The large decrease in the 2025 budget is from nearly \$1.1 million of regionalization expenses budgeted in 2024.

- Board Activities
  - Includes costs for board meetings, board committee meetings, written communications, and policy setting meetings.
- Business Strategies
  - Provides for costs associated with the visionary leadership of the utility which includes supervisor meetings, senior management meetings, and CEO walkarounds.
  - Includes costs for strategic planning and efforts related to diversity, equity, and inclusion.
- Public Policy & Watershed Advocacy
  - Includes funds to monitor and influence public policy and resource decisions of state and federal legislative and regulatory initiatives.
  - Continues to seek opportunities to partner on watershed initiatives that improve water quality.
- New Business Development
  - Includes funds for continued contact with business partners and development and execution of action plans as a result of new business opportunities.
  - Provides for the Greater Des Moines Partnership contribution of \$50,000.
- Project Management
  - Provides for costs associated with managing the Energy Management System as well as operational projects as assigned by the CEO.
- Office of the CEO Administration

# DES MOINES WATER WORKS

## OPERATING EXPENSES BY DEPARTMENT

	2025	2024		
<b>OFFICE of the COO</b>	<b>Proposed Budget</b>	<b>Approved Budget</b>	<b>Dollar Change</b>	<b>Percentage Change</b>
Operating Revenue	\$ 163,000	\$ 178,700	\$ (15,700)	-8.8%
Operating Expenses	\$ 2,321,111	\$ 2,146,642	\$ 174,469	8.1%

There is an increase in budgeted expenses for maintaining Fleur Drive medians due to the expanded number of medians being serviced. Additionally, costs have been included for a study related to flooding effects on wells at the McMullen Water Treatment Plant, specifically for 100- and 500-year storm events.

- Safety
  - Captures general and administrative costs of the safety program.
  - Includes funding for safety management, safety meetings, and safety training.
  - Includes costs for safety equipment and services.
  
- Risk & Incident Management
  - Includes funds for contracted security, access control, surveillance, and emergency operations.
  - Provides for liability claims.
  - Includes completion of a flood study on wells at the McMullen Water Treatment Plant.
  
- Grounds
  - Covers costs of management and maintenance of Water Works’ properties as well as properties maintained under 28E agreements with the City of Des Moines.
  - Includes costs for labor and materials to administer park events that are held at Water Works Park.
  
- Office of the COO Administration

## DES MOINES WATER WORKS OPERATING EXPENSES BY DEPARTMENT

	2025 Proposed Budget	2024 Approved Budget	Dollar Change	Percentage Change
<b>WATER PRODUCTION</b>				
Operating Revenue	\$ 1,121,342	\$ 868,786	\$ 252,556	29.1%
Operating Expenses	\$23,463,877	\$23,692,146	\$ (228,269)	-1.0%

Additional staffing request for an Engineer to focus on the water treatment process of the utility. Expenses related to purchasing chemicals used for water treatment are down nearly \$1.4 million while there are offsetting increases in plant utilities and residual removal.

- Treatment Plant Chemicals & Energy
  - Provides funding for chemicals and energy at the Fleur Drive Water Treatment Plant, the McMullen Water Treatment Plant, and the Saylorville Water Treatment Plant to ensure safe high-quality water in sufficient quantities to meet customer demand.
  - Includes expenses related to the removal of softening residuals from the Fleur Drive Water Treatment Plant and the McMullen Water Treatment Plant.
- Treatment Plant Maintenance
  - Provides funding for repairs and maintenance of the Fleur Drive Water Treatment Plant, the McMullen Water Treatment Plant, and the Saylorville Water Treatment Plant.
  - Includes costs for maintaining the Des Moines River Intake/Pump Station, the Fleur electric substation, and the pre-sedimentation sludge lagoons.
  - Includes costs for maintaining Crystal Lake, the ASR well, and the radial collector wells at McMullen.
- Remote Storage & Pumping
  - Provides for costs to operate and maintain the LP Moon Pump Station and the Polk County Pump Station.
  - Includes funds for maintenance of the numerous remote facilities located in Des Moines, Pleasant Hill, SE Polk, Alleman, Runnells, Urbandale, the shared eastside facilities and the Joint Maffit Lake Booster Station.
- Laboratory Monitoring
  - Covers costs of routine, non-investigative testing in the laboratories related to regulatory compliance and assessment of treatment plant processes.
- Source Water Quality
  - Provides funds for watershed investigations, running the pilot plant , overall plant processing, emerging contaminants and water quality research.

# **DES MOINES WATER WORKS OPERATING EXPENSES BY DEPARTMENT**

## **WATER PRODUCTION (continued)**

- HVAC & Radio Communications
  - Covers costs to operate, maintain, and repair all heating, air conditioning, and ventilation equipment for all DMWW facilities
  - Includes funds for maintenance and supervision of the trunked radio system and telemetry system
  
- Vehicle Maintenance & Repair
  - Captures costs for maintaining and repairing vehicles and equipment.
  - Provides support for fabricating and repairing tools and parts.
  
- Water Production Administration

## DES MOINES WATER WORKS OPERATING EXPENSES BY DEPARTMENT

	2025 Proposed Budget	2024 Approved Budget	Dollar Change	Percentage Change
<b>WATER DISTRIBUTION</b>				
Operating Revenue	\$ 1,192,680	\$ 1,107,730	\$ 84,950	7.7%
Operating Expenses	\$ 5,946,954	\$ 5,798,180	\$ 148,774	2.6%

Staffing request for an additional Crew Leader to support the pipelines team and enhance work/life balance.

- **Distribution System Maintenance & Repair**
  - Comprises of costs relating to fixing broken water mains, maintaining and repairing hydrants and valves, exercising valves, flushing dead end water mains, adjusting valve boxes to grade for city paving projects, and maintaining cathodic protection systems.
- **Distribution Field Support**
  - Provides funds for supporting field activities including service line repairs, operational issues, system maintenance, and utility locates.
  - Support activities include work order processing, record updates, database maintenance, and customer contact
- **Leak Detection & Locating**
  - Covers costs for leak detection and locating services.
  - Provides funds to support the Iowa One-Call System, DMWW GIS system, and DMWW Rules & Regulations.
- **Distribution Billed Services**
  - Includes revenue and expenses for making taps for new for service lines, providing contracted leak location services, repairing DMWW facilities damaged by others, and repairing inoperable service valves
- **Distribution Administration**



DES MOINES WATER WORKS  
Board of Water Works Trustees

Agenda Item No. III-D  
Meeting Date: October 29, 2024  
Chairperson's Signature  Yes  No

**AGENDA ITEM FORM**

**SUBJECT: Receive and File 2025 Cost of Service Report**

**SUMMARY:**

- DMWW's Cost of Service model, developed by financial consultant, Raftelis, and based on principles outlined in AWWA's M1 manual, determines revenue requirements and distributes costs to customer classes.
- Staff has input the proposed 2025 budget into the Cost of Service model. The result of that analysis was the basis for rate recommendations presented at the October 2024 Finance & Audit Committee Meeting.
- Staff has prepared an executive summary report of the cost of service results using the 2025 budget numbers. Figure 14 summarizes the cost of service and anticipated revenues by service area.
- The Wholesale Purchased Capacity class has reduced significantly in the 2025 model, as most customers in this class are members of Central Iowa Water Works. Altoona and Bondurant remain in the Purchased Capacity class.
- 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. While the calculations use actual peaking data for each wholesale customer, the model uses a calculated peak day to allocate costs to the retail and full service customer classes.
- Staff will distribute the cost of service report to wholesale and Total Service customers once accepted by the Board of Trustees.

**FISCAL IMPACT:**


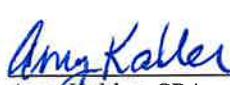

None.

**RECOMMENDED ACTION:**

Receive and file the 2025 Cost of Service Study.

**BOARD REQUIRED ACTION:**

Motion to receive and file the 2025 Cost of Service Study.

 Donna Heckman Senior Financial Analyst	<u>10/23/24</u> (date)	 Amy Kahler, CPA Chief Financial Officer	<u>10/23/24</u> (date)	 Ted Corrigan, P.E. CEO and General Manager	<u>10/24/24</u> (date)
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Attachments: 2025 Water Cost of Service Study; Memo "2025 Cost of Service and Proposed Water Rates"

# **Des Moines Water Works**

**Water Cost of Service Study**

**Based on proposed 2025 Budget**

Draft Report | October 09, 2024

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## INTRODUCTION

A Cost of Service Study (Study) is used to develop a sustainable and solvent financial plan for the water utility and to establish water costs based on allocation methodologies that follow generally accepted industry standards. In the water industry, there are two generally accepted approaches to projecting revenue requirements: 1) cash-needs approach and 2) utility approach. This study identifies revenue requirements using the utility approach and the 2025 budget as a “test year” (i.e., the annualized period for which costs are analyzed and rates established). This study allocates costs based on a widely adopted approach, known as the Base-Extra Capacity method, described in the American Water Works Association (AWWA) publication, “Manual of Water Supply Practices M1, Principles of Water Rates, Fees and Charges” (AWWA M1).



Even though there are financial impacts and changes to Des Moines Water Works associated with the creation of Central Iowa Water Works (CIWW), most of the underlying cost allocation principles remain unchanged. Changes for 2025 will be highlighted in similar text boxes throughout this Study.

# Cost of Service

## REVENUE REQUIREMENTS

Water utilities must receive sufficient total revenue to properly operate, maintain, develop, improve, and replace the water system.

This study uses the FY 2025 budget prepared by DMWW as a test year. **Figure 1** presents a summary of DMWW’s FY 2025 budget. The adopted rates, set by DMWW to recover forecasted expenses, will recover approximately \$57,261,339 from ratepaying customers.

Rate revenues include all rate revenue from retail, full service, and wholesale customers, including availability fees and capital improvement fees. Other Revenues include contracted billing fees, late fees, connection fees, other sales and services, and interest income. Capital expenses include projects and debt service funded by DMWW directly. New budget line items associated with the commencement of Central Iowa Water Works are *italicized* in Figure 1 below.

**Figure 1: FY 2025 Budget**

	<u>2025 Budget</u>
<b>Revenues</b>	
Rate Revenues	\$ 57,261,339
Other Revenues	6,958,773
Fee Revenue in O&M Projects	3,280,022
Funds from Prior Years' Excess Revenues	9,125,000
<b>Total: Revenues</b>	<b>\$ 76,625,134</b>
<b>Expenses</b>	
O&M Expenses	\$ 62,141,113
<i>Purchased Water from CIWW</i>	28,908,738
Operating Expenses Reimbursed by CIWW	\$ (34,638,645)
<b>O &amp; M Funded thru Rate Revenue</b>	<b>\$ 56,411,206</b>
Capital Expenses	\$ 50,506,077
<i>Less Projects Funded by Others</i>	(1,672,341)
<i>Less Projects Funded by DMWW SRF Debt</i>	(5,200,062)
<i>Less Funding From CIWW</i>	(23,919,746)
<b>Capital Funded Thru Rate Revenue</b>	<b>\$ 19,713,928</b>
<b>DMWW Debt Service</b>	<b>500,000</b>
<b>Total: Expenses</b>	<b>\$ 76,625,134</b>
<b>Surplus/(Deficit)</b>	<b>\$ -</b>

This study follows the *utility basis* to measure revenue requirements. Under the utility basis approach, the components of revenue requirements include:

1. *Operations & Maintenance (O&M) expense*

O&M expenses include costs necessary to operate and maintain water-related facilities, including treatment plants, pumping, storage, transmission and distribution mains, customer service, and general and administrative aspects of the utility.

DMWW will be a water producing member of, and contract operator for, CIWW. Per terms of the 28E/F Agreement creating CIWW, all treatment related expenses will be reimbursed to DMWW by CIWW. DMWW will then purchase water used from CIWW.

2. *Depreciation expense*

Depreciation is the loss in value of capital assets as a result of normal wear and aging. This component allows for cost recovery of capital investments over the useful life of the assets.

3. *Return on rate base*

The term “rate base” is the net book value or undepreciated value of capital assets. A return on the rate base provides a fair rate of return to equity owners providing capital.

DMWW is transferring all Treatment related assets to CIWW. This lowers the values of assets remaining for both the depreciation and return on rate base calculations. In 2025, the ROR was calculated at 7%.

The three component revenue requirements are allocated proportionately to each customer class so the proper level of revenues is recovered from each customer class based on the operational demands each class places on the water system. Operational demands placed on the system are generally measured by average and maximum day (also called peak) requirements, and customer related costs associated with meters, services, and accounts.

The fundamental goal of the cost-of-service process is to determine DMWW’s cost to serve each customer class. The Base-Extra Capacity method generally assigns costs to three primary cost components:

1. Base costs – O&M and capital costs incurred to meet average day demand
2. Extra capacity costs – O&M and capital costs to meet maximum day and hour demand
3. Customer costs – costs attributed to serving customers, regardless of amount of water used (e.g., meter reading, billing, collections, etc.)

Cost of service allocations are performed using the following steps:

**Table A - Summary of Cost of Service Steps**

Step	Title	Explanation	Figure
1	Determine Units of Service	Units of service are summarized (i.e., base day, max day, max hour, customer, pipe). Maximum day and maximum hour peaking factors are identified, or estimates are calculated.	Figures 2, 3
2	Allocate Costs to Functions	Operating and capital budgets are allocated to cost functions.	Figures 4, 5
3	Allocate Functionalized Costs to Cost Components	Functionalized costs, such as number of accounts, equivalent meters, water consumption, peaking factors, and inch-miles of water main, are further allocated to cost components.	Figures 6, 7, 8, 9
4	Determine Unit Cost of Service	Cost by unit of service is calculated.	Figure 10
5	Determine Revenue Requirements by Customer Class	Costs are allocated to customers based on the unit rate and each customer's units of service. The resulting cost of service is then compared to the amounts actually paid by each customer using projected rates.	Figures 11, 12, 13, 14

## STEP 1: DETERMINE UNITS OF SERVICE

The first step in the cost allocation process is to determine the units of service, which are the basis for the allocation of the total revenue requirement to each customer class. Units of service are shown in **Figure 3** and include:

**Table B - Summary of Units of Service - General**

Units of Service	Costs	Examples of Costs Allocated
Base Units	Average day	Power, chemicals
Maximum Day Units	Peak day	Treatment and transmission to serve distribution mains and storage on a peak day.
Maximum Hour Units	Peak Hour	Distribution mains and storage for peak hour
Customer Units	Equivalent meters and monthly bills	Billing, meter reading, customer service, leak detection and field service.
Pipe Units	Inch-mile of distribution mains	Operation and maintenance of distribution system

### ***Base Units***

Base units are the total annual consumption for each customer class. These units are used to allocate costs that vary directly with the amount of water produced, such as chemicals and power. This represents the cost of providing water at an average day demand.

### ***Maximum Day Extra Capacity Units***

Maximum Day Extra Capacity units represent the water demand in excess of that which is used on an average day. The rate of use on maximum day requires larger pumps, pipes, and other infrastructure to meet the peak demand, in comparison to an equal volume of water taken at a lower but steady rate. Maximum day facilities also sit idle during periods of time when demand is less than maximum day, making them less efficient and more costly to operate per unit relative to assets consistently used to meet average day demand. These maximum day units are used to allocate costs related to operation of the treatment plant at levels above average day demand as well as costs related to transmission mains which supply water to distribution mains and storage.

In general, the guidelines for determining maximum day peaking factors outlined in AWWA M1 were the basis for this component of the analysis.

### **Maximum Day Extra Capacity Calculation**

The Wholesale Master Water Service Agreement requires that maximum day demand is identified on an annual basis for each individual Purchased Capacity customer. Each Purchased Capacity customer's maximum day is compared to its average day usage to determine a peaking factor; this peaking factor is used to allocate maximum day extra capacity costs. Historical peaking factors and the five-year average are shown in **Figure 2**. The cost of service uses the five-year average to allocate costs.

**Figure 2: Wholesale Peaking Factor**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Average</u>
<u>Wholesale - Purchased Capacity</u>						
City of Altoona	0	0	0	42.253	6.459	9.742
City Of Bondurant	1.609	1.677	1.590	1.618	1.608	1.620

With the creation of CIWW, only two wholesale Purchased Capacity customers remain under the Master Agreement with DMWW.

Actual maximum day for all other customer classes cannot be easily identified; therefore, the maximum day demand for all other customer classes is estimated as shown below:

- » System Max Day to Average Day in Max Month =  $\frac{\text{System Max Day Demand}}{\text{System Max Month} / 30}$
  
- » Class Maximum Day =  $\frac{\text{Class Max Month} / 30}{(\text{Class Annual Total} / 365) * (\text{System Max Day} / \text{Average Day in Max Month})}$

The weighting occurs because the exact maximum day by customer class is not known but is assumed to have the same relationship to the average day in the maximum month as the entire system.

### ***Maximum Hour Extra Capacity Units***

Maximum Hour Total Capacity units is the consumption forecast in the highest hour of FY 2025, extrapolated over a day assuming all 24 hours are at that peak hourly demand; and, maximum hour extra capacity units is the maximum hour total capacity less the maximum day demand. These units are used to allocate costs related to distribution mains and storage related to peak hour consumption.

In general, the guidelines for determining maximum hour peaking factors outlined in AWWA M1 were the basis for this component of the analysis.

### **Maximum Hour**

As the exact customer class maximum hour cannot be identified, a similar weighting process occurs to determine the customer class maximum hour demands:

- » System Max Hour to Average Day in Max Month =  $\frac{\text{System Max Hour}}{\text{System Max Month} / 30}$
  
- » Class Maximum Hour = Class Max Day \* (System Max Hour / Average Day in Max Month)

### ***Customer Units***

Customer Units are equivalent meters and customer monthly bills. The number of bills for each customer class is ascertained through an examination of the billing data. The equivalent meters are the number of customer meters at each meter size weighted by the potential water demand each meter can place on the water system. For DMWW, a 5/8" meter is the current standard for residential services. The number of equivalent meters for sizes larger than 5/8" is determined by multiplying the nominal number of meters (the number at each connection size) by a meter factor, which represents the ratio of the flow rate of the larger meter, to that of the standard 5/8" meter. Once the number of equivalent meters larger than 5/8" is determined, this total is added to the number of 5/8" meters to arrive at the total number of equivalent meters. Customer units are used to allocate the costs of

providing services associated with individual accounts, such as billing, meter reading, customer service, leak detection and field service.

### ***Pipe Units***

Pipe units are measured in “inch-miles” of distribution mains within each service area, based on an inventory of lengths of pipes and their diameters (*diameter of pipe in inches x length of pipe in miles = inch-mile of pipe*) as of the end of July 2024 (the latest data available). These units are used to allocate operations and maintenance expenses for water distribution functions.

### **Results**

These calculations are illustrated in **Figure 3** for all customer classes.

Using the Inside City Des Moines customer class as an example, approximately 6.0 million kgal (or 6.0 billion gallons) are projected to be used by customers annually in FY 2025. This equates to approximately 16,600 kgal per day on an average day (annual forecast / 365 days). Based on the calculation described above, residential customers, on their highest consumption day of the year, are projected to use 1.59 times their average day consumption, or around 26,300 kgal. The difference between the maximum day and average day, around 9,700 kgal, represents that class’s Maximum Day Extra Capacity units.

A similar calculation is used to determine the Maximum Hour Extra Capacity Units, which are simply the consumption forecast in the highest hour of FY 2025, less the maximum day demand (57,128 kgal – 26,273 kgal = 32,629 kgal max hour extra capacity units)

Data from DMWW’s billing system shows approximately 830,388 customer bills were generated for Inside City Des Moines customers, and this same class of customers has 107,439 equivalent 5/8” meters.

Inside City Des Moines has over 6,331 inch-miles of distribution pipe to allocate pipe units costs.

Figure 3: Units of Service

	Base		Max Day			Max Hour			Customer		Pipe	
	Water Sales	Average Day	Peaking Factor	Total Capacity	Extra Capacity	Peaking Factor	Total Capacity	Extra Capacity	Count	Bills	Meters	Inch-Miles
	<i>kgal</i>	<i>kgal</i>		<i>kgal</i>	<i>kgal</i>		<i>kgal</i>	<i>kgal</i>			<i>5/8" Eq.</i>	
<b>Retail</b>												
Des Moines Inside City	6,043,258	16,557	1.59	26,273	9,716	3.45	57,128	30,855	69,199	830,388	107,439	6,331.86
Des Moines Outside City	197,685	542	2.62	1,419	877	5.70	3,086	1,667	1,173	14,076	1,513	207
DM Zoo Water Rate	15,442	42	2.20	93	51	4.72	200	107	2	24	2	-
<b>Subtotal: Retail</b>	<b>6,256,385</b>	<b>17,141</b>	<b>1.62</b>	<b>27,692</b>	<b>10,644</b>	<b>3.52</b>	<b>60,414</b>	<b>32,629</b>	<b>70,374</b>	<b>844,488</b>	<b>108,954</b>	<b>6,539</b>
<b>Full Service</b>												
Polk County	630,116	1,726	2.15	3,719	1,993	4.67	8,062	4,343	7,571	90,852	9,923	2,271
Runnells	9,266	25	1.58	40	15	3.43	87	47	211	2,532	228	23
Cumming	10,810	30	2.78	82	53	6.04	179	97	150	1,800	175	53
Alleman	9,266	25	1.60	41	15	3.48	88	48	177	2,124	320	53
Pleasant Hill Inside City	248,650	681	1.85	1,258	577	4.02	2,737	1,479	4,743	56,916	6,723	439
Pleasant Hill Outside City	869	2	-	-	(2)	-	-	-	-	-	-	2
PCRWD #1	23,165	63	1.88	119	56	4.08	259	140	468	5,616	488	52
Berwick Water	33,977	93	1.64	153	60	3.58	333	180	226	2,712	316	107
Windsor Heights	114,284	313	1.54	483	170	3.35	1,050	567	2,179	26,148	2,502	155
<b>Subtotal: Full Service</b>	<b>1,080,403</b>	<b>2,960</b>	<b>1.99</b>	<b>5,895</b>	<b>2,935</b>	<b>4.32</b>	<b>12,795</b>	<b>6,900</b>	<b>15,725</b>	<b>188,700</b>	<b>20,675</b>	<b>3,153</b>
<b>Subtotal: Full Service and Retail</b>	<b>7,336,788</b>	<b>20,101</b>	<b>1.67</b>	<b>33,587</b>	<b>13,580</b>	<b>3.64</b>	<b>73,209</b>	<b>39,529</b>	<b>86,099</b>	<b>1,033,188</b>	<b>129,628</b>	<b>9,692</b>
<b>Wholesale</b>												
Altoona	11,356	31	9.74	303	272	23.35	726	423	1	24		
Bondurant	194,703	533	1.62	864	331	3.57	1,906	1,042	1	36		
Water Development Co	17,849	49	1.73	85	36	3.76	184	99	1	24		
<b>Subtotal: Wholesale</b>	<b>223,908</b>	<b>613</b>	<b>2.04</b>	<b>1,252</b>	<b>638</b>	<b>4.59</b>	<b>2,816</b>	<b>1,565</b>	<b>14</b>	<b>84</b>	<b>-</b>	<b>-</b>
<b>Subtotal: Outside City</b>	<b>1,517,438</b>	<b>4,115</b>	<b>2.08</b>	<b>8,566</b>	<b>4,451</b>	<b>4.54</b>	<b>18,698</b>	<b>10,132</b>	<b>16,912</b>	<b>202,860</b>	<b>22,188</b>	<b>3,361</b>
<b>Total: Utility</b>	<b>7,560,696</b>	<b>20,672</b>	<b>1.69</b>	<b>34,839</b>	<b>14,167</b>	<b>3.67</b>	<b>75,826</b>	<b>40,987</b>	<b>86,111</b>	<b>1,033,248</b>	<b>129,626</b>	<b>9,692</b>

## STEP 2: ALLOCATE COSTS TO FUNCTIONS

The second step in determining revenue requirements by customer class involves the allocation of water utility operating and maintenance (O&M) costs and capital costs to standard functional categories. These categories relate to various functions performed by the water utility system and staff in order to provide service to DMWW customers. For this study, the standard functions are:

- » Source of Supply
- » Treatment
- » Transmission
- » Storage/Pumping
- » Distribution
- » Meters
- » Customer Service
- » Administration

All CWW members will be billed their respective share of O&M and Capital expenditures in the cost of water purchased from CIWW. DMWW's projected cost of purchased water in 2025 is \$28,908,738, which includes both Capital and O&M related expenses.

### Allocation of O&M to Functional Categories

**Figure 4** summarizes the functional allocation of the water utility's FY 2025 O&M revenue requirements. These allocations relate to the proportion of expenditures in each cost center (i.e., utility department) that is associated with performing each function. The Customer Service department budget, for example, is associated with the cost of billing DMWW's customers, conducting public relations and customer outreach, and maintaining meters. Consequently, all O&M expenses for this cost center, or Customer Service department, have been allocated to the customer service and meters functions based on DMWW's detailed project costing budget data. All allocations are based on a review of activity-based departmental budgets and an understanding of utility processes and are generally consistent with typical and customary allocations seen in the water industry.


Most of DMWW's cost centers (i.e., departments) are fully allocated to a standard function. Exceptions include Engineering expenses, which are allocated in the same proportion as assets in service, and Water Production Administration, which is allocated in proportion to Source, Treatment, and Storage, and Pumping activities. Transmission and Distribution costs are allocated on the basis of inch-miles of transmission and distribution mains DMMW maintains for all customers.

The totals for each function flow through to the following step, Step 3, which is allocation to cost components.

In 2025, DMWW will be reimbursed by CIWW for all treatment related costs, totaling around \$35 million in O&M expenses.

## Allocation of Capital Asset Costs to Functional Categories

**Figure 5** summarizes the functional allocation of the water utility's FY 2025 capital revenue requirement. Capital costs, including depreciation expense and return on rate base, are allocated using fixed asset records as of the end of FY 2023. Net book value (also called Original Cost Less Depreciation, or OCLD) and annual book depreciation for each category of assets are allocated to the same standard functions used to allocate O&M. In addition to shared assets in **Figure 5**, DMWW also maintains assets that directly serve Full Service customers, such as meters and pipelines. These assets are allocated directly to the customer they serve. Most asset categories are fully allocable to standard functions; however, Pipelines in Des Moines are allocated proportionately between Transmission and Distribution based on inch-miles of pipe in Des Moines.



DMWW will transfer all Treatment related assets to CIWW. DMWW still has an “investment” in CIWW; this is the value of the capacity that DMWW has in CIWW. This value is used in Rate of Return and Depreciation allocations.

Figure 4: O&M Functionalization

<u>Cost Center</u>	<u>O&amp;M</u>	<u>Source of Supply</u>	<u>Treatment</u>	<u>Transmission</u>	<u>Distribution</u>	<u>Storage/ Pumping</u>	<u>Meters</u>	<u>Customer Service</u>	<u>Fire Protection</u>	<u>Admin</u>
Finance	\$ 3,888,696									100.0%
Customer Service	5,104,909						34.0%	66.0%		
IT	2,533,201									100.0%
HR	891,155									100.0%
Engineering	1,542,521	0.0%	27.8%	0.0%	62.8%	4.1%	3.0%	0.0%	0.0%	2.3%
Transmission and Distribution	7,410,206				100.0%					
OCEO	797,471									100.0%
Treatment	11,692,326		100.0%							
Source	666,910	100.0%								
Storage/Pumping	2,631,138					100.0%				
Production Administration	8,309,014	4.4%	78.0%			17.6%				
<b>Subtotal: O&amp;M Expenses</b>	<b>\$ 45,467,547</b>	<b>\$ 1,036,779</b>	<b>\$ 18,602,426</b>	<b>\$ -</b>	<b>\$ 8,378,655</b>	<b>\$ 4,152,467</b>	<b>\$ 1,781,271</b>	<b>\$ 3,369,240</b>	<b>\$ -</b>	<b>\$ 8,146,691</b>

Figure 5: Capital Asset Functionalization

<u>Category</u>	<u>Rate Base</u>	<u>Annual Depreciation</u>	<u>Source of Supply</u>	<u>Treatment</u>	<u>Transmission</u>	<u>Distribution</u>	<u>Storage/ Pumping</u>	<u>Meters</u>	<u>Customer Service</u>	<u>Fire Protection</u>	<u>Admin</u>
Structures and Machinery											
Airport Booster Station	\$ 819,816	\$ 13,440					100.00%				
Alleman Tower	4,919	159					100.00%				
Allen Hazen Tower	573,058	29,958					100.00%				
ASR Wells							100.00%				
Fiber Optics	-	-		100.00%							
FWTP				100.00%							
General Office Facility	2,662,020	78,057									100.00%
Grounds	2,333,464	75,222									100.00%
JES Booster Station	1,171,481	18,023					100.00%				
Jes Tower	4,216,439	88,325					100.00%				
LP Moon Storage Tank							100.00%				
MWTP				100.00%							
Nollen, Wilchinski & Tenny S	1,973,184	49,070					100.00%				
Remote Pumping/Storage	925,185	38,313					100.00%				
Roosevelt Booster Station	23,531	1,660					100.00%				
Service Dept	1,583,798	83,168									100.00%
SW Pump Station	1,779,325	59,311					100.00%				
SW Storage	124,970	2,499					100.00%				
SWTP				100.00%							
SWTP Pumping Station							100.00%				
Investment in CIWW	79,429,165	1,985,729		100.00%							
Pipelines - Feeder											
Pipelines - DM	124,578,690	2,396,624				100.00%					
Fleur Laboratory 1		-		100.00%							
Service Dept 1	114,751	96,753									100.00%
<b>Total: Rate Base</b>	<b>\$ 222,313,795</b>		<b>\$ -</b>	<b>\$ 79,429,165</b>	<b>\$ -</b>	<b>\$ 124,578,690</b>	<b>\$ 11,611,908</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,694,032</b>
<b>Total: Depreciation</b>		<b>5,016,309</b>	<b>-</b>	<b>1,985,729</b>	<b>-</b>	<b>2,396,624</b>	<b>300,757</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>333,200</b>

### STEP 3: ALLOCATE FUNCTIONALIZED COSTS TO COST COMPONENTS

This study utilizes the “Base Extra Capacity” method described in the AWWA M1. The Base Extra Capacity method involves allocating each of the functionalized O&M costs to cost components in accordance with the operational need that function was designed to satisfy. This process ensures that customers are only allocated costs associated with services they receive. For example, wholesale customers do not share in the cost of maintaining Windsor Heights distribution system; those costs are the responsibility of Windsor Heights customers.

Costs are segmented to customers based on the service or benefit received by customers. Customer segments include:

- Common to All - all customer classes benefit from the service
- Full Service & Retail - only Full Service customers under contract and Des Moines customers benefit from the service
- Retail Only - only Des Moines retail customers benefit from the service

Within these segments, costs are further generalized as pertaining to either the volumetric or customer service demands of water utility customers. The volumetric cost components are:

- Base demand (also known as average day demand), which relates to the water demand of DMWW customers on an average day;
- Maximum day extra capacity, or the level of demand in excess of base demand, demonstrated by DMWW customers on the highest consumption day of the year; and
- Maximum hour extra capacity, the theoretical demand, in excess of maximum day demand, demonstrated by DMWW customers in the highest consumption hour.

Treatment, transmission, and storage costs are allocated between the base and maximum day cost components based on historical system peaking data. Over the five-year period, maximum day production is an average of 1.67 times higher than on an average day. Since 100% of average day costs are incurred on the maximum day, 1/1.67, or about 60%, of those costs are allocated to base and the remaining 40% of costs are allocated to maximum day.

**Figure 6: System Peaking (MGD)**

	<u>Annual</u>		<u>Max Month</u>		<u>Max Day</u>	<u>Max Day /</u>
	<u>Production</u>	<u>Average Day</u>	<u>Production</u>	<u>AD in MM</u>	<u>Production</u>	<u>Annual Avg</u>
						<u>Day</u>
2019	17,394	47.65	2,026	65.34	81.04	1.70
2020	18,538	50.79	2,153	69.45	85.24	1.68
2021	19,172	52.53	2,125	68.56	88.58	1.69
2022	19,596	53.69	2,235	72.09	93.47	1.74
2023	20,054	54.94	2,169	69.98	83.67	1.52
<b>Average:</b>	<b>18,951</b>	<b>51.92</b>	<b>2,142</b>	<b>69.08</b>	<b>86.40</b>	<b>1.67</b>

The customer service-related cost components are 1) customer bills and 2) customer meters. These components relate to—at a minimum—the cost of processing customer bills and maintaining customer meters. Additionally, customer meter costs may also relate to the fixed investment in water utility assets associated with providing water service which is available (virtually at all times) regardless of how much water is consumed by DMWW customers (i.e., “readiness to serve”).

Distribution costs are allocated based on inch-miles of main within each service area.

Administration costs are allocated based on the results of the pro rata allocations of all the other functions to components.

**Figure 7** shows the allocation of functionalized “Total: Net O&M” illustrated in Figure 4 to more detailed cost components.

**Figure 8** shows the allocation of functionalized capital asset costs (rate base) illustrated in Figure 5, as well as construction work in progress expected to come into service in FY 2025, to cost components.

**Figure 9** shows the allocation of functionalized capital asset costs (annual depreciation) illustrated in Figure 5, as well as construction work in progress expected to come into service in FY 2024, to cost components.

It should be noted that because Figures 8 & 9 include assets currently held, as well as construction work in progress expected to come into service in FY 2024 and 2025, totals in these Figures are slightly higher than and do not tie to functionalized totals in Figure 5.

**Figure 7: Allocation of O&M to Cost Components**

Function	O&M	Common to All				Full Service and Retail					Retail Only		
		Base	Max Day	Max Hour	Bills	Base	Max Day	Max Hour	Meters	Inch Miles	Base	Max Day	Max Hour
Source of Supply	\$ 1,036,757	\$ 1,036,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treatment	18,602,426	11,166,827	7,435,599	-	-	-	-	-	-	-	-	-	-
Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution	8,378,655	-	-	-	-	-	-	-	-	8,378,655	-	-	-
Storage / Pumping	4,152,467	2,492,679	1,659,788	-	-	-	-	-	-	-	-	-	-
Meters	1,781,271	-	-	-	-	-	-	1,781,271	-	-	-	-	-
Customer Service	3,369,240	-	-	-	3,369,240	-	-	-	-	-	-	-	-
Administration	8,146,691	3,208,020	1,985,415	-	735,465	-	-	-	388,830	1,828,961	-	-	-
<b>Total:</b>	<b>\$ 45,467,508</b>	<b>\$ 17,904,283</b>	<b>\$11,080,802</b>	<b>\$ -</b>	<b>\$ 4,104,705</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,170,101</b>	<b>\$10,207,616</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Figure 8: Allocation of Rate Base to Cost Components \***

Function	Rate Base	Common to All				Full Service and Retail					Retail Only		
		Base	Max Day	Max Hour	Bills	Base	Max Day	Max Hour	Meters	Inch Miles	Base	Max Day	Max Hour
Source of Supply	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treatment	79,429,165	47,680,434	31,748,731	-	-	-	-	-	-	-	-	-	-
Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution	194,052,264	-	-	-	-	-	-	-	-	-	67,002,992	44,614,946	82,434,327
Storage / Pumping	21,509,459	12,911,886	8,597,573	-	-	-	-	-	-	-	-	-	-
Meters	8,514,696	-	-	-	-	-	-	8,514,696	-	-	-	-	-
Customer Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Administration	14,848,626	2,964,403	1,973,892	-	-	-	-	416,571	-	-	3,278,037	2,182,730	4,032,995
<b>Total:</b>	<b>\$ 318,354,211</b>	<b>\$ 63,556,723</b>	<b>\$42,320,196</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,931,266</b>	<b>\$ -</b>	<b>\$70,281,028</b>	<b>\$46,797,675</b>	<b>\$86,467,322</b>	

**Figure 9: Allocation of Depreciation to Cost Components \***

Function	Depreciation	Common to All				Full Service and Retail					Retail Only		
		Base	Max Day	Max Hour	Bills	Base	Max Day	Max Hour	Meters	Inch Miles	Base	Max Day	Max Hour
Source of Supply	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treatment	4,296,537	2,579,163	1,717,374	-	-	-	-	-	-	-	-	-	-
Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution	4,246,441	-	-	-	-	-	-	-	-	-	1,466,225	976,308	1,803,908
Storage / Pumping	1,015,192	609,409	405,784	-	-	-	-	-	-	-	-	-	-
Meters	225,539	-	-	-	-	-	-	225,539	-	-	-	-	-
Customer Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Administration	1,354,118	441,316	293,857	-	-	-	-	31,216	-	-	202,933	135,126	249,671
<b>Total:</b>	<b>\$ 11,137,828</b>	<b>\$ 3,629,887</b>	<b>\$ 2,417,015</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 256,755</b>	<b>\$ -</b>	<b>\$ 1,669,158</b>	<b>\$ 1,111,434</b>	<b>\$ 2,053,579</b>	

\*Cost associated with Assets directly assigned to a Full Service or Retail customer are shown under the "Direct" column in Figures 15 thru 27.

#### STEP 4: DETERMINE UNIT COST OF SERVICE

Once each component of the FY 2025 revenue requirement (i.e., O&M, rate base, depreciation) has been allocated to each of the cost components (i.e., base, max day etc.), the unit cost of service can be determined. The unit cost of service is the basis by which costs are allocated to each customer class. **Figure 10** shows the calculated unit costs.

The total system units are the sum of all units from **Figure 3**.

For distributing O&M costs, *base units represent all retail and wholesale customer use on an annual basis, or Total Water Sales*. Max day units represent the daily use in excess of that which is used on an average day for all customer classes, and similarly, max hour use is that which is used in excess of max day consumption. *Because max day and max hour represent excess usage, O&M costs for these components are allocated over extra capacity units.*

*Depreciation and rate base costs for max day are distributed over total capacity units.* Max day total capacity units most closely represent customers’ impact on the capacity of the capital assets maintained for their use.

*Depreciation and rate base costs for max hour are distributed over extra capacity units.* Max hour units represent demand in a day if all 24 hours had usage rates equal to peak hour.

Base, max day and max hour units are summarized in the table below for each revenue requirement:

Revenue Requirement	Base Units	Max Day Units	Max Hour Units
O&M	Total Water Sales	Extra Capacity	Extra Capacity
Depreciation	Total Water Sales	Total Capacity	Extra Capacity
Rate Base	Total Water Sales	Total Capacity	Extra Capacity

Also shown in **Figure 10** is each of the revenue requirements, as they have been allocated to the cost components, and the unit cost for each component. As an example, the total O&M costs allocated to the “base” cost component is approximately \$17.90 million. Since there are 7.56 million base units, the cost per unit is \$2.37. This calculation is repeated for each of the cost components and revenue requirements to arrive at a total system unit cost for each cost component. These unit rates are the basis by which costs are allocated to customer classes.

Although the total cost of service for each customer is different, it is important to note that all customers--whether retail, full service, or wholesale-- pay the same operating unit rate. For example,

1,000 gallons of water costs the same for Des Moines Inside City retail customers, wholesale, and Full Service customers. The difference is that each customer has different units of service.

While the operating unit cost is the same for all customers, capital unit rates vary. Specifically, purchased capacity customers pay a lower capital unit rate because these customers invested capital to construct two of the utility’s treatment plants. This up-front investment is recognized when allocating depreciation and rate base. Wholesale customers holding purchased capacity receive a credit against the amount of Shared Depreciation and Rate Base. The depreciation credit is equal to the amount of annual depreciation on the original sale price of the purchased capacity, which calculates to approximately \$88,750. The rate base credit is equal to the net book value of the sale price of purchased capacity, which is approximately \$1.775 million.

Bondurant is being given a credit of their original purchased capacity (2004) of .5MG and the capacity they purchased from Pleasant Hill (1996), .7MG. Bondurant has a total of 1.2MG purchased. The City of Altoona has 1MG of purchased capacity. Other purchased capacity participants transferred their capacity to CIWW.

It is important to note that **Figure 10** displays the development of unit costs for each group of customers, but because Purchased Capacity and other outside city customers pay different unit rates, this table does not indicate the total cost recovered. **Figure 11** displays the total revenue recovered by component, developed by multiplying the unit rates by the appropriate units from **Figure 3**.

**Example – Figure 11**

Des Moines Inside City - Common To All- Base Costs- O&M= \$14,310,878<sup>1</sup>

Figure 10: \$2.3681 operating cost  
Figure 3: DM Inside + DM Zoo =  
6,043,258 + 15,442 = 6,058,700 kgal FY 2025 projected annual consumption  
Figure 11: 6,058,700 units \* \$2.3681/unit = \$14,310,878<sup>1</sup>

**Figure 11** includes a section for Direct Assets, which are assets in DMWW’s records related to Full Service customers that are allocated directly to the respective Full Service customer rather than allocated among customer classes. These costs are added back to costs at the end of the allocation process and are shown in the two farthest right columns in **Figure 13**.

<sup>1</sup> Rounding of unit costs in this report may cause immaterial discrepancies between the results shown in Figure 10 and results estimated by manually calculating costs.

**Figure 12** shows the reconciliation of utility basis costs in **Figure 11** to the cash basis costs shown in **Figure 1**.

Figure 10: Unit Cost of Service

Total	Common to All				Full Service and Retail						Retail Only			
	Base	Max Day	Max Hour	Bills	Base	Max Day	Max Hour	Meters	Fire	Inch Miles	Base	Max Day	Max Hour	
<b>Operating Expenses</b>														
Total Expense	\$ 45,467,508	\$ 17,904,283	\$ 11,080,802	\$ -	\$ 4,104,705	\$ -	\$ -	\$ -	\$ 2,170,101	\$ -	\$ 10,207,616	\$ -	\$ -	\$ -
Units		7,560,696	14,218	41,093	1,033,272	7,336,788	13,580	39,529	129,628	9,924	9,691	6,256,385	10,644	32,629
Unit Cost		2.3681	779.3401	-	3.9725	-	-	-	16.7410	-	1,053.3259	-	-	-
<b>Depreciation</b>														
<b>Shared Depreciation</b>														
Total Expense	10,881,073	3,629,887	2,417,015	-	-	-	-	-	-	-	-	1,669,158	1,111,434	2,053,579
Units		7,560,696	34,932	41,093	1,033,272	7,336,788	33,681	39,529	108,954	9,924	9,691	6,256,385	27,785	32,629
Unit Cost		0.4801	69.1912	-	-	-	-	-	-	-	-	0.2668	40.0010	62.9375
<b>PC Depreciation</b>														
PC Depreciation Credit	(88,750)	(53,276)	(35,474)	-	-	-	-	-	-	-	-	-	-	-
Wholesale PC Depreciation	10,792,323	3,576,612	2,381,540	-	-	-	-	-	-	-	-	1,669,158	1,111,434	2,053,579
Units		7,560,696	34,932	41,093	1,033,272	7,336,788	33,681	39,529	108,954	9,924	9,691	6,256,385	27,785	32,629
Unit Cost		0.4731	68.1756	-	-	-	-	-	-	-	-	0.2668	40.0010	62.9375
<b>Rate Base</b>														
<b>Shared Rate Base</b>														
Total Shared Rate Base	318,354,211	63,556,723	42,320,196	-	-	-	-	-	8,931,266	-	-	70,281,028	46,797,675	86,467,322
Units		7,560,696	34,932	41,093	1,033,272	7,336,788	33,681	39,529	108,954	9,924	9,691	6,256,385	27,785	32,629
Unit Cost		8.4062	1,211.4876	-	-	-	-	-	81.9731	-	-	11.2335	1,684.2705	2,650.0256
<b>Inside City Rate Base</b>														
Rate Base (1)	284,965,526	50,930,641	31,942,348	-	-	-	-	-	7,574,678	-	-	68,060,336	44,407,846	82,049,676
Return on Rate Base	4.54%	\$ 12,936,112	2,312,015	1,450,034	-	-	-	-	343,855	-	-	3,089,623	2,015,910	3,724,674
Units		6,058,700	26,366	30,962	830,412	6,058,700	26,366	30,962	107,441	7,960	6,332	6,058,700	26,366	30,962
Unit Cost		0.3816	54.9959	-	-	-	-	-	3.2004	-	-	0.5099	76.4581	120.2989
<b>Outside City Rate Base</b>														
Rate Base	32,032,097	12,626,081	10,377,848	-	-	-	-	-	-	-	-	2,220,692	2,389,829	4,417,646
Return on Rate Base	7.00%	2,242,247	883,826	726,449	-	-	-	-	-	-	-	155,448	167,288	309,235
Units		1,501,996	8,566	10,132	202,860	1,278,088	7,314	8,567	1,513	1,964	3,359	197,685	1,419	1,667
Unit Cost		0.5884	84.8041	-	-	-	-	-	-	-	-	0.7863	117.8989	185.5018
<b>PC Rate Base</b>														
PC Rate Base Credit	(1,775,000)	(1,065,513)	(709,487)	-	-	-	-	-	-	-	-	-	-	-
PC Rate Base	30,257,097	11,560,569	9,668,361	-	-	-	-	-	-	-	-	2,220,692	2,389,829	4,417,646
PC Return on Rate Base	7.00%	2,117,997	809,240	676,785	-	-	-	-	-	-	-	155,448	167,288	309,235
Units		1,501,996	8,566	10,132	202,860	1,278,088	7,314	8,567	1,513	1,964	3,359	197,685	1,419	1,667
Unit Cost		0.5388	79.0064	-	-	-	-	-	-	-	-	0.7863	117.8989	185.5018

(1) Includes addition of \$5.3 million Direct Asset - Des Moines Inside City Meters.

Figure 11: Cost of Service by Component

	Total	Common to All				Full Service and Retail					Retail Only			
		Base	Max Day	Max Hour	Bills	Base	Max Day	Max Hour	Meters	Fire	Inch Miles	Base	Max Day	Max Hour
<b>Des Moines Inside City</b>														
O&M	\$ 33,726,338	\$ 14,347,485	\$ 7,611,847	\$ -	\$ 3,298,837	\$ -	\$ -	\$ -	\$ 1,798,661	-	\$ 6,669,508	\$ -	\$ -	\$ -
Depreciation	9,346,127	2,908,779	1,824,309	-	-	-	-	-	-	-	1,616,417	1,054,676	1,941,945	
Return on Rate Base	12,936,112	2,312,015	1,450,034	-	-	-	-	343,855	-	-	3,089,623	2,015,910	3,724,674	
<b>Subtotal: DMIC</b>	<b>\$ 56,008,576</b>	<b>\$ 19,568,240</b>	<b>\$ 10,886,191</b>	<b>\$ -</b>	<b>\$ 3,298,837</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,142,516</b>	<b>\$ -</b>	<b>\$ 6,669,508</b>	<b>\$ 4,706,041</b>	<b>\$ 3,070,586</b>	<b>\$ 5,666,619</b>
<b>Outside City Customers</b>														
O&M	\$ 11,741,209	\$ 3,556,838	\$ 3,468,955	\$ -	\$ 805,868	\$ -	\$ -	\$ -	\$ 371,440	\$ -	\$ 3,538,108	\$ -	\$ -	\$ -
PC Depreciation	177,055	97,477	79,579	-	-	-	-	-	-	-	-	-	-	-
PC Return on Rate Base	203,241	111,020	92,221	-	-	-	-	-	-	-	-	-	-	-
Other Outside Depreciation	1,348,537	622,179	511,942	-	-	-	-	-	-	-	52,741	56,758	104,918	
Other Outside Return on Rate Base	2,022,006	762,574	627,461	-	-	-	-	-	-	-	155,448	167,288	309,235	
<b>Subtotal: Outside City</b>	<b>\$ 15,492,049</b>	<b>\$ 5,150,087</b>	<b>\$ 4,780,157</b>	<b>\$ -</b>	<b>\$ 805,868</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 371,440</b>	<b>\$ -</b>	<b>\$ 3,538,108</b>	<b>\$ 208,189</b>	<b>\$ 224,046</b>	<b>\$ 414,153</b>
<b>Direct Assets</b>														
Depreciation	\$ 1,844,486													
<b>Subtotal: Direct Assets</b>	<b>\$ 1,844,486</b>													
<b>Less Misc Revenues</b>	<b>\$ (6,958,773)</b>													
<b>Less Contribution from Reserves</b>	<b>\$ (9,125,000)</b>													
<b>Total: Revenue Recovered</b>	<b>\$ 57,261,339</b>													

Figure 12: Reconciliation to Cash Basis

	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
<b><u>Cash Basis Revenue Requirements</u></b>			
Operation and Maintenance Expense	45,467,547		45,467,547
Debt Service		500,000	500,000
Cash Financed Capital		27,377,565	27,377,565
Contribution to Operating Reserve	(9,125,000)		(9,125,000)
<b>Subtotal: Revenue Requirement</b>	<b>36,342,547</b>	<b>27,877,565</b>	<b>64,220,112</b>
<b><u>Requirements Met from Other Sources</u></b>			
Misc Revenues	6,958,773		6,958,773
<b>Subtotal: Other Revenues</b>	<b>6,958,773</b>	<b>0</b>	<b>6,958,773</b>
<b>Total: Revenue Required</b>	<b>29,383,774</b>	<b>27,877,565</b>	<b>57,261,339</b>
<b><u>Utility Basis Revenue Requirements</u></b>			
Operation and Maintenance Expense	29,383,774		29,383,774
Depreciation		12,716,206	12,716,206
Return on Rate Base		15,161,359	15,161,359
<b>Total: Revenue Requirement</b>	<b>29,383,774</b>	<b>27,877,565</b>	<b>57,261,339</b>

## STEP 5: DETERMINE REVENUE REQUIREMENTS BY CUSTOMER CLASS

To determine the allocation of the FY 2025 revenue requirements to each of the customer classes, the total unit cost of service (as illustrated in Figure 10) is multiplied by the units of service for that class (as illustrated in Figure 2)<sup>2</sup>. **Figure 13** indicates the cost of service by customer class.

### *Example – Figure 13*

Des Moines Inside City- Common To All- Base Costs (DM Inside City + DM Zoo)

$$\$19,519,250 + \$49,875 = \$19,569,124^2$$

Figure 10: \$2.3681 operating cost + \$0.4801 shared depreciation + \$0.3816 Inside City rate base  
= \$3.2298/unit

Figure 3: DM Inside + DM Zoo projected annual consumption

DM Inside – 6,043,258

DM Zoo – 15,442

Figure 13: DM Inside + DM Zoo

$$\text{DM Inside} - 6,043,258 * \$3.2298/\text{unit} = \$19,518,366^2$$

$$\text{DM Zoo} - 15,442 * \$3.2298/\text{unit} = \$49,874$$

Each customer class utilizes varying levels of service. For example, wholesale customers are primarily responsible only for base and maximum day costs, in addition to costs related to issuing bills. Full service and retail customers receive a higher level of service and hence pay additional costs related to maintaining meters, providing customer service, and operating and maintaining distribution systems.

**Figure 13** further details costs for each customer within the purchased capacity wholesale class.

## COST OF SERVICE RESULTS

**Figure 14** presents a summary of Cost of Service results for each customer class compared to projected FY 2025 revenues under proposed rates. A few observations in reviewing these results:

- The formation of Central Iowa Water Works arguably impacts no other CIWW member as much as it impacts DMWW. There are significant benefits to DMWW in terms of transferring risk to CIWW; ensuring an equitable sharing of costs, especially related to capacity expansion; collaboratively managing water resources; and benefitting from a more resilient regional system of water facilities.
- The retail customer class includes both Des Moines Inside City and Des Moines Outside City. Figure 14 shows Inside City customers are under-recovering at 78%, although a

<sup>2</sup> Rounding of unit costs in this report may cause immaterial discrepancies between the results shown in Figures and results estimated by manually calculating costs.

programmed contribution from reserves of about \$9 million makes the class whole within an acceptable range of full recovery.

- Full Service customers are recovering costs at varying percentages, some below costs and others above costs. In situations where costs are under-recovered, higher rate increases are proposed. In situations where the results show costs are over-recovered, this has occurred intentionally to build up a capital fund for small communities who face significant needed capital improvements in their system. We have added future capital costs to the Cost of Service numbers for areas where we either 1) have future CIP projects or 2) where we already collect a capital improvement fee. This number is then subtracted as it is not a current year expense.
- The Wholesale purchased capacity class has changed significantly due to the creation of CIWW. All but two wholesale customers—Altoona and Bondurant-- joined CIWW. Both communities hold purchased capacity; however, the similarities within this class end there, as both communities demand water from DMWW very differently.

Appendix A provides more calculation detail for the cost of service for each retail customer class, wholesale customer and Full Service customer.

Figure 13: Class Cost of Service

	Total	Common to All				Full Service and Retail					Retail Only			Direct	
		Base	Max Day	Max Hour	Bills	Base	Max Day	Max Hour	Meters	Inch Miles	Base	Max Day	Max Hour	Return	Depreciation
<b>Retail</b>															
Des Moines Inside City	\$ 56,671,765	\$ 19,519,250	\$ 10,776,999	\$ -	\$ 3,298,742	\$ -	\$ -	\$ -	\$ 2,142,476	\$ 6,669,508	\$ 4,694,046	\$ 3,059,738	\$ 5,653,781		\$ 857,224
Less Misc Revenues	\$ (6,958,773)														
Less Contribution from Operating Reserves	\$ (9,125,000)														
Des Moines, Outside City	2,739,466	679,366	902,227	-	55,917	-	-	-	25,326	218,171	208,189	224,046	414,153		12,071
DM Zoo Water Rate	143,600	49,874	51,193	-	95	-	-	-	40	-	11,994	10,848	19,554		
<b>Subtotal: Retail</b>	<b>\$ 43,471,057</b>	<b>\$ 20,248,489</b>	<b>\$ 11,730,419</b>	<b>\$ -</b>	<b>\$ 3,354,755</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,167,842</b>	<b>\$ 6,887,678</b>	<b>\$ 4,914,230</b>	<b>\$ 3,294,632</b>	<b>\$ 6,087,489</b>	<b>\$ -</b>	<b>\$ 869,295</b>
<b>Full Service</b>															
Polk County	7,888,841	2,165,461	2,126,120	-	360,912	-	-	-	166,129	2,392,085					678,134
Runnells	144,137	31,844	68,147	-	10,058	-	-	-	3,820	24,160					6,108
Cumming Water	174,934	37,150	53,669	-	7,151	-	-	-	2,927	55,549					18,489
Alleman	126,603	31,844	18,102	-	8,438	-	-	-	5,354	55,667					7,199
Pleasant Hill Inside City	2,508,296	854,512	643,042	-	226,101	-	-	-	112,546	462,131					209,964
Pleasant Hill Outside City	1,866	2,988	(1,856)	-	-	-	-	-	-	-					734
PCRWD #1	237,679	79,609	61,875	-	22,310	-	-	-	8,162	54,537					11,187
Berwick Water	324,680	116,766	70,280	-	10,774	-	-	-	5,285	112,971					8,604
Windsor Heights	942,756	392,749	206,632	-	103,874	-	-	-	41,890	162,838					34,773
<b>Subtotal: Full Service</b>	<b>12,349,793</b>	<b>3,712,922</b>	<b>3,246,011</b>	<b>-</b>	<b>749,617</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>346,114</b>	<b>3,319,938</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>975,192</b>
<b>Wholesale</b>															
Altoona	295,056	38,382	256,578	-	95										
Bondurant	1,043,159	658,077	384,939	-	143										
<b>Subtotal: Wholesale PC</b>	<b>1,338,215</b>	<b>696,459</b>	<b>641,517</b>	<b>-</b>	<b>238</b>										
<b>Wholesale with Storage</b>															
Water Development Co	102,274	61,340	40,839	-	95										
<b>Subtotal: Wholesale - Storage</b>	<b>102,274</b>	<b>61,340</b>	<b>40,839</b>	<b>-</b>	<b>95</b>										
<b>Total: Utility</b>	<b>\$ 57,261,339</b>	<b>\$ 24,719,211</b>	<b>\$ 15,658,787</b>	<b>\$ -</b>	<b>\$ 4,104,705</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,513,956</b>	<b>\$ 10,207,616</b>	<b>\$ 4,914,230</b>	<b>\$ 3,294,632</b>	<b>\$ 6,087,489</b>	<b>\$ -</b>	<b>\$ 1,844,486</b>

**Figure 14: Cost of Service Results**

<u>Customer</u>	<u>Cost of Service</u> (A)	<u>2025 Projected</u>	
		<u>Revenue</u> (B)	<u>COS Recovery</u> (B / A)
<b>Retail</b>			
Des Moines Inside City	\$ 49,856,591	\$ 38,979,600	78%
Des Moines Outside City	2,739,466	2,819,616	103%
Less: Contribution from Reserves	(9,125,000)		
<b>Total: Retail</b>	<b>\$ 43,471,057</b>	<b>\$ 41,799,216</b>	<b>96%</b>
<b>Full Service</b>			
Polk County	\$ 8,834,018	\$ 8,965,996	101%
Runnells	194,137	190,647	98%
Cumming	174,934	191,137	109%
Alleman	126,603	162,660	128%
Pleasant Hill Inside City	3,510,162	3,313,338	94%
PCRWD	237,679	195,031	82%
Berwick	324,680	210,592	65%
Windsor Heights	1,171,325	1,058,936	90%
Less: Future FS Capital Costs	(2,223,745)		
<b>Total: Full Service</b>	<b>\$ 12,349,793</b>	<b>\$ 14,288,337</b>	<b>116%</b>
<b>Wholesale - PC</b>			
Altoona	\$ 295,056	\$ 117,071	40%
Bondurant	1,043,159	948,573	91%
<b>Total: Wholesale - PC</b>	<b>\$ 1,338,215</b>	<b>\$ 1,065,644</b>	<b>80%</b>
<b>Wholesale with Storage</b>			
Water Development Co	102,274	108,142	106%
<b>Total: Wholesale with Storage</b>	<b>\$ 102,274</b>	<b>\$ 108,142</b>	<b>106%</b>
<b>Total: Utility</b>	<b>\$ 57,261,339</b>	<b>\$ 57,261,339</b>	<b>100%</b>

## Appendix A: Individual Cost of Service

The following tables show a detailed calculation of the cost of service for each wholesale customer. The units of service can be traced to **Figure 3** and the unit costs can be found on **Figure 10**.

<sup>(1)</sup> Capital unit costs consist of depreciation and return on rate base.

### Figure 15: Des Moines Inside City

	Common to All			Full Service and Retail		Retail Only			Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles	Base	Max Day	Max Hour		
<b>Operating Expense</b>										
Units of Service	6,058,700	9,767	830,412	107,441	6,332	6,058,700	9,767	30,962		
Unit Cost	2.3681	779.3401	3.9725	16.7410	1,053.3259	-	-	-		
	\$ 14,347,446	\$ 7,611,847	\$ 3,298,837	\$ 1,798,661	\$ 6,669,508	\$ -	\$ -	\$ -		\$ 33,726,299
<b>Capital Expense</b>										
Units of Service	6,058,700	26,366	830,412	107,441	6,332	6,058,700	26,366	30,962		
Unit Cost (1)	0.8617	124.1871	-	3.2004	-	0.7767	116.4591	183.2364		
	\$ 5,220,794	\$ 3,274,344	\$ -	\$ 343,855	\$ -	\$ 4,706,041	\$ 3,070,586	\$ 5,673,335	\$ 800,111	\$ 23,089,066
<i>Less Misc Revenues</i>	\$ (6,958,773)									\$ (6,958,773)
<b>Total: Cost of Service</b>	\$ 12,609,467	\$ 10,886,191	\$ 3,298,837	\$ 2,142,516	\$ 6,669,508	\$ 4,706,041	\$ 3,070,586	\$ 5,673,335	\$ 800,111	\$ 49,856,592

### Figure 16: Des Moines Outside City

	Common to All			Full Service and Retail		Retail Only			Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles	Base	Max Day	Max Hour		
<b>Operating Expense</b>										
Units of Service	197,685	877	14,076	1,513	207	197,685	877	1,667		
Unit Cost	2.3681	779.3401	3.9725	16.7410	1,053.3259	-	-	-		
	\$ 468,133	\$ 683,721	\$ 55,917	\$ 25,326	\$ 218,171	\$ -	\$ -	\$ -	\$ -	\$ 1,451,268
<b>Capital Expense</b>										
Units of Service	197,685	1,419	14,076	1,513	207	197,685	1,419	1,667		
Unit Cost (1)	1.0685	153.9953	-	-	-	1.0531	157.9000	248.4393		
	\$ 211,233	\$ 218,506	\$ -	\$ -	\$ -	\$ 208,189	\$ 224,046	\$ 414,153	\$ 12,071	\$ 1,288,198
<b>Total: Cost of Service</b>	\$ 679,366	\$ 902,227	\$ 55,917	\$ 25,326	\$ 218,171	\$ 208,189	\$ 224,046	\$ 414,153	\$ 12,071	\$ 2,739,466

**Figure 17: Polk County**

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
<b>Operating Expense</b>							
Units of Service	630,116	1,993	90,852	9,923	2,271		
Unit Cost	2.3681	779.3401	3.9725	16.7410	1,053.3259		
	\$ 1,492,161	\$ 1,553,337	\$ 360,912	\$ 166,129	\$ 2,392,085	\$ -	\$ 5,964,624
<b>Capital Expense</b>							
Units of Service	630,116	3,719	90,852	9,923	2,271		
Unit Cost (1)	1.0685	153.9953	-				
	\$ 673,300	\$ 572,784	\$ -	\$ -	\$ -	\$ 1,623,311	\$ 2,869,395
<b>Total: Cost of Service</b>	\$ 2,165,461	\$ 2,126,120	\$ 360,912	\$ 166,129	\$ 2,392,085	\$ 1,623,311	\$ 8,834,018

**Figure 18: Runnells**

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
<b>Operating Expense</b>							
Units of Service	9,266	15	2,532	228	23		
Unit Cost	2.3681	779.3401	3.9725	16.7410	1,053.3259		
	\$ 21,943	\$ 11,524	\$ 10,058	\$ 3,820	\$ 24,160	\$ -	\$ 71,505
<b>Capital Expense</b>							
Units of Service	9,266	40	2,532	228	23		
Unit Cost (1)	1.0685	153.9953	-				
	\$ 9,901	\$ 6,186	\$ -	\$ -	\$ -	\$ 56,108	\$ 72,196
<b>Total: Cost of Service</b>	\$ 31,844	\$ 17,710	\$ 10,058	\$ 3,820	\$ 24,160	\$ 56,108	\$ 143,700

**Figure 19: Cumming**

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
<b>Operating Expense</b>							
Units of Service	10,810	53	1,800	175	53		
Unit Cost	2.3681	779.3401	3.9725	16.7410	1,053.3259		
	\$ 25,599	\$ 41,006	\$ 7,151	\$ 2,927	\$ 55,549	\$ -	\$ 132,231
<b>Capital Expense</b>							
Units of Service	10,810	82	1,800	175	53		
Unit Cost (1)	1.0685	153.9953	-				
	\$ 11,551	\$ 12,663	\$ -	\$ -	\$ -	\$ 18,489	\$ 42,703
<b>Total: Cost of Service</b>	\$ 37,150	\$ 53,669	\$ 7,151	\$ 2,927	\$ 55,549	\$ 18,489	\$ 174,934

**Figure 20: Alleman**

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
<b>Operating Expense</b>							
Units of Service	9,266	15	2,124	320	53		
Unit Cost	2.3681	779.3401	3.9725	16.7410	1,053.3259		
	\$ 21,943	\$ 11,851	\$ 8,438	\$ 5,354	\$ 55,667	\$ -	\$ 103,253
<b>Capital Expense</b>							
Units of Service	9,266	41	2,124	320	53		
Unit Cost (1)	1.0685	153.9953	-				
	\$ 9,901	\$ 6,251	\$ -	\$ -	\$ -	\$ 7,199	\$ 23,351
<b>Total: Cost of Service</b>	\$ 31,844	\$ 18,102	\$ 8,438	\$ 5,354	\$ 55,667	\$ 7,199	\$ 126,603

**Figure 21: Pleasant Hill Inside City**

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
<b>Operating Expense</b>							
Units of Service	249,519	574	56,916	6,723	439		
Unit Cost	2.3681	779.3401	3.9725	16.7410	1,053.3259		
	\$ 590,880	\$ 447,489	\$ 226,101	\$ 112,546	\$ 462,131	\$ -	\$ 1,839,148
<b>Capital Expense</b>							
Units of Service	249,519	1,258	56,916	6,723	439		
Unit Cost (1)	1.0685	153.9953	-				
	\$ 266,620	\$ 193,696	\$ -	\$ -	\$ -	\$ 1,210,698	\$ 1,671,014
<b>Total: Cost of Service</b>	\$ 857,500	\$ 641,185	\$ 226,101	\$ 112,546	\$ 462,131	\$ 1,210,698	\$ 3,510,162

**Figure 22: PCRWD#1**

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
<b>Operating Expense</b>							
Units of Service	23,165	56	5,616	488	52		
Unit Cost	2.3681	779.3401	3.9725	16.7410	1,053.3259		
	\$ 54,856	\$ 43,505	\$ 22,310	\$ 8,162	\$ 54,537	\$ -	\$ 183,370
<b>Capital Expense</b>							
Units of Service	23,165	119	5,616	488	52		
Unit Cost (1)	1.0685	153.9953	-				
	\$ 24,753	\$ 18,370	\$ -	\$ -	\$ -	\$ 11,187	\$ 54,309
<b>Total: Cost of Service</b>	\$ 79,609	\$ 61,875	\$ 22,310	\$ 8,162	\$ 54,537	\$ 11,187	\$ 237,679

**Figure 223: Berwick**

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
<b>Operating Expense</b>							
Units of Service	33,977	60	2,712	316	107		
Unit Cost	2.3681	779.3401	3.9725	16.7410	1,053.3259		
	\$ 80,460	\$ 46,714	\$ 10,774	\$ 5,285	\$ 112,971	\$ -	\$ 256,204
<b>Capital Expense</b>							
Units of Service	33,977	153	2,712	316	107		
Unit Cost (1)	1.0685	153.9953	-				
	\$ 36,306	\$ 23,566	\$ -	\$ -	\$ -	\$ 8,604	\$ 68,475
<b>Total: Cost of Service</b>	\$ 116,766	\$ 70,280	\$ 10,774	\$ 5,285	\$ 112,971	\$ 8,604	\$ 324,680

**Figure 234: Windsor Heights**

	Common to All			Full Service and Retail		Direct	Total
	Base	Max Day	Bills	Meters	Inch Miles		
<b>Operating Expense</b>							
Units of Service	114,284	170	26,148	2,502	155		
Unit Cost	2.3681	779.3401	3.9725	16.7410	1,053.3259		
	\$ 270,633	\$ 132,278	\$ 103,874	\$ 41,890	\$ 162,838	\$ -	\$ 711,513
<b>Capital Expense</b>							
Units of Service	114,284	483	26,148	2,502	155		
Unit Cost (1)	1.0685	153.9953	-				
	\$ 122,116	\$ 74,355	\$ -	\$ -	\$ -	\$ 263,342	\$ 459,813
<b>Total: Cost of Service</b>	\$ 392,749	\$ 206,632	\$ 103,874	\$ 41,890	\$ 162,838	\$ 263,342	\$ 1,171,325

**Figure 245: Altoona**

<b><u>Operating Expense</u></b>	<b><u>Base</u></b>	<b><u>Max Day</u></b>	<b><u>Bills</u></b>	<b><u>Total</u></b>
Units of Service	11,356	272	24	
Unit Cost	2.3681	779.3401	3.9725	
	<u>\$ 26,892</u>	<u>\$ 211,968</u>	<u>\$ 95</u>	<u>\$ 238,955</u>
<b><u>Capital Expense</u></b>				
Units of Service	11,356	303	24	
Unit Cost (1)	1.0118	147.1821	-	
	<u>\$ 11,490</u>	<u>\$ 44,610</u>	<u>\$ -</u>	<u>\$ 56,101</u>
<b>Total: Cost of Service</b>	<b>\$ 38,382</b>	<b>\$ 256,578</b>	<b>\$ 95</b>	<b>\$ 295,056</b>

**Figure 256: Bondurant**

<b><u>Operating Expense</u></b>	<b><u>Base</u></b>	<b><u>Max Day</u></b>	<b><u>Bills</u></b>	<b><u>Total</u></b>
Units of Service	194,703	331	36	
Unit Cost	2.3681	779.3401	3.9725	
	<u>\$ 461,071</u>	<u>\$ 257,750</u>	<u>\$ 143</u>	<u>\$ 718,964</u>
<b><u>Capital Expense</u></b>				
Units of Service	194,703	864	36	
Unit Cost (1)	1.0118	147.1821	-	
	<u>\$ 197,006</u>	<u>\$ 127,189</u>	<u>\$ -</u>	<u>\$ 324,195</u>
<b>Total: Cost of Service</b>	<b>\$ 658,077</b>	<b>\$ 384,939</b>	<b>\$ 143</b>	<b>\$ 1,043,159</b>

**Figure 267: Water Development Co**

<u>Operating Expense</u>	<u>Base</u>	<u>Max Day</u>	<u>Bills</u>	<u>Total</u>
Units of Service	17,849	36	24	
Unit Cost	2.3681	779.3401	3.9725	
	<u>\$ 42,268</u>	<u>\$ 27,813</u>	<u>\$ 95</u>	<u>\$ 70,176</u>
<u>Capital Expense</u>				
Units of Service	17,849	85	24	
Unit Cost (1)	1.0685	153.9953	-	
	<u>\$ 19,072</u>	<u>\$ 13,026</u>	<u>\$ -</u>	<u>\$ 32,099</u>
<b>Total: Cost of Service</b>	<b>\$ 61,340</b>	<b>\$ 40,839</b>	<b>\$ 95</b>	<b>\$ 102,274</b>

## GLOSSARY

**Availability Charge** - A flat monthly charge designed to recover part or all of customer related costs in lieu of recovering them through volume rates since these costs do not vary with the amount of water use. Availability charges can be established as progressive based on meter size or capped to meet specific needs.

**Base Costs** - Costs that tend to vary with the total quantity of water used and operation under average load conditions. Costs included are operation, maintenance, and replacement expenses of supply, treatment, pumping facilities and capital costs related to plant investment associated with serving customers at a constant, or average demand.

**Base-Extra Capacity** - The method of cost allocation in which the costs of service are classified to the functional cost components of base, extra-capacity (maximum day, maximum hour), customer related, and fire protection costs.

**Cash-Needs Approach** – One of two commonly used methods that projects revenue requirements with the objective of ensuring utility revenues are sufficient to recover total cash needs for a given projection period. Components of the cash-needs approach include O&M expenses, debt service payments, contributions to reserves, and cost of capital expenditures that are not debt-financed or contributed (primarily recovered through rates). Also called “**Cash Basis Approach.**”

**Customer Classification** - The grouping of customers into homogeneous classes. Typically, water utility customers may be classified as residential, commercial, industrial or wholesale for rate-making and other purposes.

**Customer Related Costs** - Costs directly associated with serving customers, regardless of the amount of water use. Such costs generally include meter reading, billing, accounting, and collecting expense, and maintenance and capital costs related to meters and associated services.

**Debt Service** - The amounts of money necessary to pay interest and principal requirements resulting from the borrowing of money for capital expenditures.

**Demand Costs** - Costs associated with providing facilities to meet peak day and peak hour demands placed on the system by customers. They include capital-related costs and operation and maintenance expenses associated with those facilities.

**Depreciation** - The periodic cost incurred based on replacement cost of fixed assets and plant facilities. The funds resulting from depreciation are used for replacement of these assets.

**Equivalent Meter Ratio** - The ratio of the capacity in larger meters to that of a 5/8” meter used for most residential customers.

**Extra Capacity Costs** - Capital and operation and maintenance costs related to providing water at levels above average demand. These costs are divided between maximum-day and maximum-hour components.

**Fire Protection Costs** - Cost of providing fire protection service to the areas served by the utility.

**Full Service Customers** – Customers outside the City of Des Moines who are served by Des Moines Water Works under contract. Des Moines Water Works provides full service to these communities, including operations and maintenance of the water system, customer service, billing, planning for capital improvements, etc. Also called “**Total Service**” customers.

**Maximum-Day** - Extra capacity costs associated with system capacity designed to meet the one-day maximum demand placed on the system.

**Maximum-Hour** - Extra capacity costs associated with system capacity designed to meet the one-hour maximum demand placed on the system.

**Operational Areas** - Specific areas of the utility operations under which related operating and maintenance expenses are grouped.

**Peak-Day** - Demand costs related to treatment, pumping and transmission facilities designed to meet peak one day usage.

**Peak-Hour** - Demand costs, in excess of peak-day, related to treatment, pumping and transmission facilities designed to meet peak one hour usage.

**Purchased Capacity** - Direct purchase of capacity in the treatment, pumping and transmission facilities of the utility in order to eliminate the return on investment cost component related to those facilities.

**Rate Base** – Rate base is the net book value of capital assets (original cost less depreciation) and usually also includes the costs for construction in progress.

**Rate-Making Process** - The process of developing and establishing rates and charges. The process is comprised of four phases: (1) determination of revenue requirements; (2) allocation of costs to the functional components of the cost of service; (3) distribution of the functional costs of service to customer classes; and (4) development and design of a schedule of rates and charges to recover the revenue requirements.

**Return on Investment** - The cost computed as a percentage of the value of plant investments dedicated to serving outside city and wholesale customers.

**Revenue Requirement** - The total revenues needed to meet all expenses and capital replacement costs of the utility.

**Test Year** - The annualized period for which costs are analyzed and rates established.

**Utility Approach** – One of two commonly used approaches to projecting revenue requirements. Components of the utility basis include O&M expenses, depreciation expense, and return on rate base. This approach is particularly appropriate when the government owned utility serves customers outside its geographical limits, based on the premise that the owner investors are entitled to a reasonable return from nonowner customers based on the value of assets required to serve those customers.

**Wholesale Customers** - Service in which water is sold to a customer at one or more major points of delivery for resale within the wholesale customer's service area.

**MEMORANDUM**

DATE: October 12, 2024

TO: Ted Corrigan, CEO and General Manager

FROM: Amy Kahler, Chief Financial Officer

SUBJECT: 2025 Cost of Service and Proposed Water Rates

**Background**

DMWW’s Cost of Service (“COS”) model, developed by Raftelis Financial Consultants and performed by DMWW annually, determines revenue requirements and distributes costs to customer classes. Raftelis is a nationally known financial advisor specializing in public-sector work. The firm has helped author the AWWA’s rate setting manual, “Principles of Water Rates, Fees, and Charges,” more commonly known in the water industry as the “M1 Manual.” The COS model used by DMWW today is consistent with widely accepted industry cost and rate-making principles and is used as a guide in establishing DMWW’s wholesale and retail water rates. DMWW’s approach to rate setting is to identify costs by customer class and set rates such that all customer classes “pay their own way.”

**Summary of Cost of Service Results Using 2025 Budget**

DMWW has completed the annual Cost of Service study using 2025 budgeted expenses. The complete COS report is attached to this memo and summary Figure 14 from the COS is shown below. These results serve as a basis for the rate recommendations within this memo.

**Changes Impacting the 2025 Cost of Service**

There are impacts to the Cost of Service with the formation of Central Iowa Water Works (CIWW) and Operational Commencement anticipated for January 1, 2025. There are many moving pieces in this first year of developing financial projections for both DMWW and CIWW, and this initial year should be considered a year of transition. The impacts of this transition are discussed in more detail within this memo.

**Figure 14: Cost of Service Results**

<u>Customer</u>	<u>Cost of Service</u>	<u>2/1 Proposed Rate Increase</u>	<u>2025 Projected Revenue</u>	<u>COS Recovery</u>
	(A)		(B)	(B / A)
<b>Retail</b>				
Des Moines Inside City	\$ 49,856,591	7%	\$ 38,979,600	78%
Des Moines Outside City	2,739,466	7%	2,819,616	103%
Less: Contribution from Reserves	(9,125,000)			
<b>Total: Retail</b>	<b>\$ 43,471,057</b>		<b>\$ 41,799,216</b>	<b>96%</b>
<b>Full Service</b>				
Polk County	\$ 8,834,018	7%	\$ 8,965,996	101%
Runnells	194,137	7%	190,647	98%
Cumming	174,934	7%	191,137	109%
Alleman	126,603	7%	162,660	128%
Pleasant Hill Inside City	3,510,162	7%	3,313,338	94%
PCRWD	237,679	10%/\$1 Avail Inc	195,031	82%
Berwick	324,680	10%/\$1 Avail Inc	210,592	65%
Windsor Heights	1,171,325	7%	1,058,936	90%
Less: Future FS Capital Costs	(2,223,745)			
<b>Total: Full Service</b>	<b>\$ 12,349,793</b>		<b>\$ 14,288,337</b>	<b>116%</b>
<b>Wholesale - PC</b>				
Altoona	\$ 295,056	7%/\$326 Per Avg Max Day*	\$ 117,071	40%
Bondurant	1,043,159	7%/\$326 Per Avg Max Day*	948,573	91%
<b>Total: Wholesale - PC</b>	<b>\$ 1,338,215</b>		<b>\$ 1,065,644</b>	<b>80%</b>
<b>Wholesale with Storage</b>				
Water Development Co	102,274	\$380 Per Avg Max Day**	108,142	106%
<b>Total: Wholesale with Storage</b>	<b>\$ 102,274</b>		<b>\$ 108,142</b>	<b>106%</b>
<b>Total: Utility</b>	<b>\$ 57,261,339</b>		<b>\$ 57,261,339</b>	<b>100%</b>

\* Avg Max Day represents the 5-year average of max day demand based on actual peaking factors.

\*\* No increase in Volume Rate for Wholesale w/ Storage

## Results

Figure 14 shows a summary of cost-of-service results by customer class and high-level rate recommendations based on these results. For most customer classes, a 7% rate increase is recommended. With this recommended rate increase, the customer classes are reasonably aligned in terms of fully recovering costs. Each customer class is discussed in more detail below:

### Retail

The retail customer class includes both Des Moines Inside City and Des Moines Outside City. In Figure 14 shows Inside City customers are under-recovering at 78%, although a programmed contribution from reserves of about \$9 million makes the class whole within an acceptable range of full recovery (96%).

The formation of Central Iowa Water Works arguably impacts no other CIWW member as much as it impacts DMWW. There are significant benefits to DMWW in terms of transferring risk to CIWW; ensuring an equitable sharing of costs, especially related to capacity expansion; collaboratively managing water resources; and benefitting from a more resilient regional system of water facilities.

As the regional water provider for decades, DMWW has managed the budget and prioritized costs and projects considering the needs of the system as a whole and has received retail and wholesale revenue to offset those costs. With the commencement of CIWW, the 2025 budget segregates costs into broad DMWW/CIWW categories for the first time. Operating and capital costs under CIWW responsibility, if incurred by DMWW initially, will be reimbursed by CIWW at actual cost, and DMWW will pay our share of those costs through CIWW wholesale water rates. With the transfer of costs comes the reassignment of related revenue; DMWW's revenue is reduced by nearly \$32 million in 2025 due to the transition of all but two wholesale customers to CIWW.

This combined reassignment of costs and revenues, along with an ambitious capital spending plan, results in Inside City costs being under-recovered in this initial year of transition. DMWW is in a strong cash position due to higher-than-projected pumpage and revenue in prior years, and staff recommends that \$9.1 million in cash reserves be infused into the budget for 2025 to offset this under-recovered position in the next fiscal year.

To ensure a sustainable financial position for this customer class longer-term, future year recommendations and decisions will need to consider annual budget and/or rate adjustments necessary to get the class to 100% recovery. This can occur over time, as DMWW anticipates receiving \$70+ million in funds under the terms of the CIWW 28E/F agreement related to the transfer of production assets to CIWW that will be programmed to support future Des Moines capital priorities and spending. A longer-term plan for improving the cost recovery for Des Moines Inside City will be developed in 2025 in conjunction with an update to the Five-Year Capital Improvement Plan (CIP).

### **Full Service**

The Full Service (also called Total Service) customer class as an aggregate group recovers greater than 100% of budgeted costs because most of these Full-Service areas have relatively few customers and significant capital needs in the face of projected growth. The rates are intentionally set at a level to accumulate the capital balances over time that will be necessary to sustain these growth-driven system improvements. Excess revenues are tracked and maintained for each separate Full Service area in a Capital Improvement Fund and are used for the sole benefit of capital projects in that specific service area.

As in prior years, Berwick and PCRWD #1 continue to show a lower cost recovery, and the rate recommendation for a 10% increase and an additional \$1 availability in these areas is in response to an under-recovered position in these areas.

## Wholesale

The Wholesale purchased capacity class has changed significantly due to the creation of CIWW. All but two wholesale customers—Altoona and Bondurant-- joined CIWW. Both communities hold purchased capacity; however, the similarities within this class end there, as both communities demand water from DMWW very differently.

Bondurant utilizes DMWW as its sole water provider and purchases water from DMWW every day of the year, providing a fairly consistent year-round demand, apart from seasonal peak usage. Altoona, on the other hand, relies on DMWW as an emergency supplier, peaking off DMWW in the summer and during times when its plants are shut down.

Because these customers have no similarities from a cost-of-service context beyond their status as holders of purchased capacity, DMWW will not recover full costs from this class as a whole without significantly over-recovering costs from customers consistently using water (i.e., Bondurant). This creates challenges in equitably setting rates for the class.

Staff's focus in this year of transition is moving to the wholesale rate structure that has been recommended for four to five years but deferred until regionalization discussions were finalized. This wholesale rate structure recovers costs more equitably from wholesale customers based on the demands each customer places on the system. The rate design includes a monthly fixed component that recovers fixed costs needed to serve on max day. Regardless of whether the community purchases any water, fixed costs to serve are recovered by this monthly fixed fee, rather than relying only on a volume rate to recover all costs (as is the case with the current wholesale rate structure).

This change in wholesale rate structure raises Altoona from 20% recovery in 2024 to 40% recovery in 2025. While still a position of significant under-recovery, it is substantial improvement, and under this rate structure, DMWW is recovering its fixed costs to serve Altoona.

Bondurant is not showing a full cost recovery in 2025 because these rates will only be in effect for nine months during 2025, from April – December. DMWW is contractually required to give 180-day notice to wholesale customers, so wholesale rates are effective on April 1 of each year.

A full year on this rate structure will result in full recovery from Bondurant and further improved cost recovery from Altoona.

The single customer in the With Storage Wholesale customer class that does not hold purchased capacity would transition to the same wholesale water rate structure as purchased capacity customers.

The following calculation illustrates how the wholesale rate structure effective 4/1/25 is applied using Altoona and Bondurant in Purchased Capacity Wholesale class.

Illustration of Calculated Charges under wholesale rate structure:

<b>Recovery of Base Costs (Average Day)</b>	<b>Altoona</b>	<b>Bondurant</b>	<b>Total</b>
Rate per thousand gallons (7% increase from 2024)	\$ 3.84	\$ 3.84	
Projected Consumption (thousand gallons)	11,356	194,703	206,059
Average Day Revenue	\$43,607	\$747,660	\$ 791,267
<b>Recovery of Extra Capacity Costs (Max Day)</b>			
Rate per Average Max Day Unit	\$ 326	\$ 326	
5-year Average Max Day (thousand gallons)	303	864	1,167
Max Day Revenue	\$ 98,778	\$ 281,664	\$ 380,442
Projected Annual Revenue (assuming 12 months)	\$142,385.04	\$1,029,323.52	\$1,171,708.56

**Volume Water Rates**

Attached to this memo is a chart showing the staff recommendation for 2025 volume water rates for each customer class. As discussed at the September Finance & Audit Committee meeting, residential rates for each service area are recommended to be restructured in inclining block rates based on the following steps:

<b>Step</b>	<b>Volume</b>	<b>Designed to Recover Costs for</b>	<b>Rate</b>
1	0 – 2,000 gallons	Essential household water needs	75% of rate in current structure
2	2,001 – 9,000 gallons	Typical indoor household water needs	150% of Step 1 rate
3	9,000+ gallons	Higher seasonal peak demand, such as lawn watering	200% of Step 1 rate

The new residential rate structure is proposed to include an inclining block rate to ensure that rates appropriately recover costs based on the demands customers place on the water system related to essential and typical household water needs and higher seasonal peak demands, including lawn watering.

The proposed inclining rate structure is designed around the industry standard of average household water usage at 6,000 gallons each month. About 90% of DMWW residential customers use less than 6,000 gallons each month. Customers using less than this 6,000-gallon average will see a \$1.00 to \$3.00 savings in their monthly water charges. Residential customers consuming more than 6,000 gallons of water but less than 9,000 gallons each month will see an increase of \$1.00 to \$3.00 in their monthly water charges under the proposed rate structure. Substantial lawn watering or other seasonal usage are expected to result in a higher cost per 1,000 gallons and higher monthly water charges under this proposed rate model.

Non-residential rates for commercial and industrial customers will continue to follow a declining block rate structure in 2025. These rates will be evaluated in 2025 for the 2026 rate implementation to determine if a change in rate design is recommended.

### **Capital Improvement Fees**

Capital improvement fees, where applicable, are included in the rate chart. Capital improvement fees for residential customers in Des Moines, Polk County, and Windsor Heights have been embedded in the inclining rate structure, and residential customers in these areas will no longer have separate capital improvement fees. Capital improvement fees will remain for commercial and industrial customers in these areas. For Des Moines Inside City and Polk County, the capital improvement fee is a decreasing block structure where the declining consumption blocks mirror that of the water volume rate. Windsor Heights has a uniform water rate and capital improvement fee.

### **Availability Fees**

Staff proposes to increase the monthly water availability for Berwick and PCRWD (a.k.a. Polk County Rural Water District #1 or “Saylor Township”) by \$1.00, as their availabilities are \$4.00 and \$5.00 respectively. This is inequitable to Des Moines Inside City’s availability of \$6.00 per month (for a typical residential meter) and is the result of past contractual negotiations. There is no cost-of-service basis for a lower water availability fee in these areas. The intent is to continue adjusting these fees until they at least match Des Moines’ availability fee.

Other than the changes to availability fees as discussed above, staff recommend no changes to availability fees. A summary of proposed availability fees by meter size is shown in the rate chart.

### **Summary**

There are many interwoven and moving parts to this year’s cost of service and rate analysis, primarily related to:

- the creation of CIWW and associated impacts to DMWW such as the need for more refined operating and capital cost categorizations, and including purchased water and reimbursement of operating and capital costs,
- reassignment of significant wholesale revenue to CIWW,
- implementation of a new wholesale rate structure, and
- implementation of an inclining block rate structure for residential customers in all service areas.

These are positive changes for the utility and our customers that demonstrate progress in ensuring equitable cost allocations and recoveries. Implementing any one of these changes in a single year would be substantial; implementing them all in the same year is ambitious and does carry some risk given the many moving parts. Considering these substantial changes during this year of transition, staff will be closely monitoring financial results in 2025 and will advise if course corrections are needed.



DES MOINES WATER WORKS  
Board of Water Works Trustees

Agenda Item No. III-E  
Meeting Date: October 29, 2024  
Chairperson's Signature  Yes  No

**AGENDA ITEM FORM**

**SUBJECT: Request Authorization to Solicit Bids for Fleur Drive WTP High Lift Pump VFD Installation and Establish the Date of the Public Hearing as the Date of the Decemer 2024 Board Meeting**

**SUMMARY:**

- In March 2022, the Board of Water Works Trustees authorized the CEO and General Manager to execute a Professional Services Agreement (PSA) with HDR Engineering, Inc. for the investigation and design of a Variable Frequency Drive (VFD) installation on one of the high lift pumps at the Fleur Drive Water Treatment Plant. After extensive analysis, it was determined that placing the VFD on one of the 30 million gallons per day (MGD) pumps in the West High Lift would offer the greatest operational benefits.
- In March 2024, the Board authorized staff to issue a Purchase Order for the acquisition of a medium-voltage VFD for this project. Staff received a final price of \$516,898 from Van Meter Inc. for the Allen Bradley PowerFlex 7000 VFD. The VFD is currently schedule to be delivered in February of 2025.
- The next phase of the project is to solicit bids for the installation of the purchased VFD in the Nitrate Removal Facility. This contract includes a new divider wall, ventilation improvements, structural modifications, and VFD installation.
- Preparation of plans, specifications, and contract documents for the Fleur Drive WTP High Lift VFD Installation project are complete.
- The engineer's Opinion of Probable cost for this contract is \$971,000.

**FISCAL IMPACT:**

Funds for this project will come from the 2024 Fleur Drive VFD High Lift Pump budget .

**RECOMMENDED ACTION:**

Authorize staff to solicit bids for the Fleur Drive WTP High Lift Pump VFD Installation and establish the date of the Public Hearing as the date of the December 2024 Board meeting.

**BOARD REQUIRED ACTION:**

Motion to authorize staff to solicit bids for the Fleur Drive WTP High Lift Pump VFD Installation and establish the date of the Public Hearing as the date of the December 2024 Board meeting, and direct staff to publish notice as provided by law.

 Nathan Casey, P.E. (date) <u>10/23/24</u> Director of Water Production	 Lindsey Wanderscheid, P.E. (date) <u>10/23/24</u> Director of Engineering Services	 Ted Corrigan, P.E. (date) <u>10/24/24</u> CEO and General Manager
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Attachment: None



DES MOINES WATER WORKS  
Board of Water Works Trustees

Agenda Item No. III-F  
Meeting Date: October 29, 2024  
Chairperson's Signature  Yes  No

**AGENDA ITEM FORM**

**SUBJECT: Request Authorization to Solicit Bids for McKinley Avenue Water Main Replacement from SW 9<sup>th</sup> Street to SW 14<sup>th</sup> Street and Establish the Date of the Public Hearing as the Date of the December 2024 Board Meeting**

**SUMMARY:**

- As part of the approved 2024 Des Moines Water Main Replacement budget, the street identified in the table below is to receive new water mains due to a history of main breaks and other service issues.

**Streets**

McKinley Avenue from SW 9<sup>th</sup> Street to SW 14<sup>th</sup> Street

**Engineer's Est.**

\$1,392,338.36

**Total**

**\$1,392,338.36**

- Preparation of plans, specifications, and contract documents for the McKinley Avenue Water Main Replacement from SW 9<sup>th</sup> Street to SW 14<sup>th</sup> Street is nearing completion.
- Work on McKinley Avenue will call for the installation of approximately 2,508 feet of 12-inch and 155 feet of 8-inch polyvinyl chloride (PVC) water main.
- The City of Des Moines will reimburse DMWW for several construction items included as part of this project. These items are being installed with the water main replacement to facilitate the City's reconstruction of McKinley Avenue to follow in 2026. Items to be reimbursed include portions of clearing and grubbing, storm sewer, pavement removal, and site work.
- The engineer's estimate for the DMWW and City of Des Moines funded portions is \$1,336,746.50 and \$55,591.86 respectively. Total engineer's estimate for the contract is \$1,392,338.36.

**FISCAL IMPACT:**



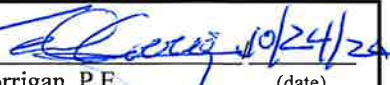
- Funds for this project will come from the 2024 Des Moines Water Main Replacement budget.

**RECOMMENDED ACTION:**

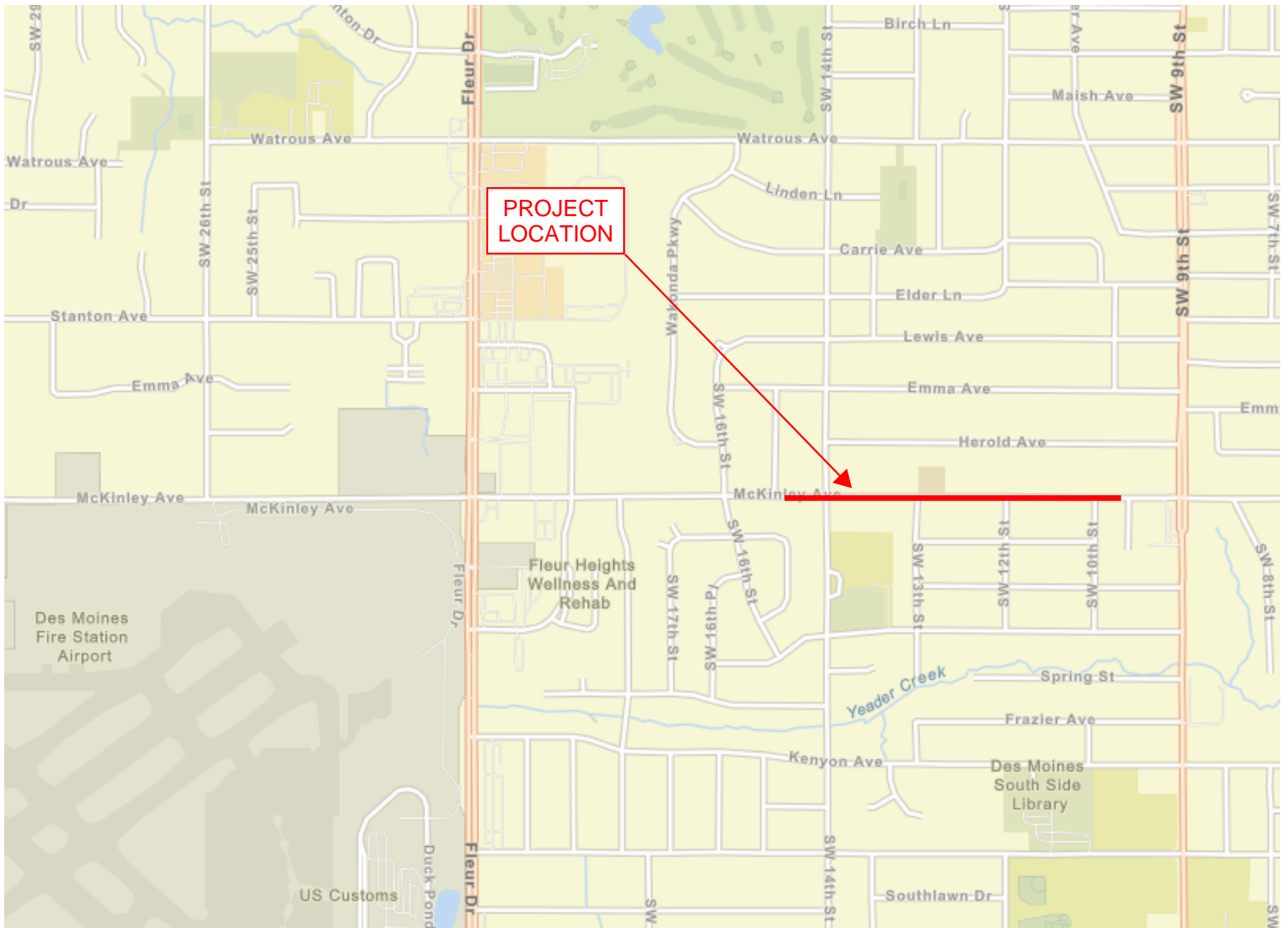
- Authorize staff to solicit bids for McKinley Avenue Water Main Replacement from SW 9<sup>th</sup> Street to SW 14<sup>th</sup> Street and establish the date of the Public Hearing as the date of the December 2024 Board meeting.

**BOARD REQUIRED ACTION:**

- Motion to authorize staff to solicit bids for McKinley Avenue Water Main Replacement from SW 9<sup>th</sup> Street to SW 14<sup>th</sup> Street and establish the date of the Public Hearing as the date of the December 2024 Board meeting, and direct staff to publish notice as provided by law.

 Mike Zach, P.E. Engineering Supervisor	<u>10/23/2024</u> (date)	 Lindsey Wanderscheid, P.E. Director of Engineering Services	<u>10/23/24</u> (date)	 Ted Corrigan, P.E. CEO and General Manager	<u>10/24/24</u> (date)
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Attachments: Site Map





DES MOINES WATER WORKS  
Board of Water Works Trustees

Agenda Item No. III-G  
Meeting Date: October 29, 2024  
Chairperson's Signature  Yes  No

**AGENDA ITEM FORM**

**SUBJECT: Request Authorization to Solicit Bids for 2024 Water Works Park Road Project and Establish the Date of the Public Hearing as the Date of the December 2024 Board Meeting**

**SUMMARY:**

- Increased traffic from new park developments together with routine truck traffic serving the Fleur Drive Water Treatment Plant have left the condition of the main park entrance pavement in distressed condition. This project will serve to remove distressed pavement and replace it with new concrete pavement suited for its heavy use.
- The project will include replacing the pavement from the approach at Fleur Drive continuing west to terminate at the northerly directed concrete roadway serving the treatment plant. Work will include removal of existing pavement, preparation of underlying soils, placing a gravel sub-base, and constructing new concrete pavement.
- The engineer's estimate for this contract is \$210,000.

**FISCAL IMPACT:**

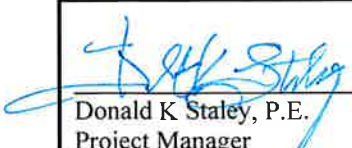


- Funds for this project will come from the 2024 Grounds Maintenance capital budget.

**RECOMMENDED ACTION:**

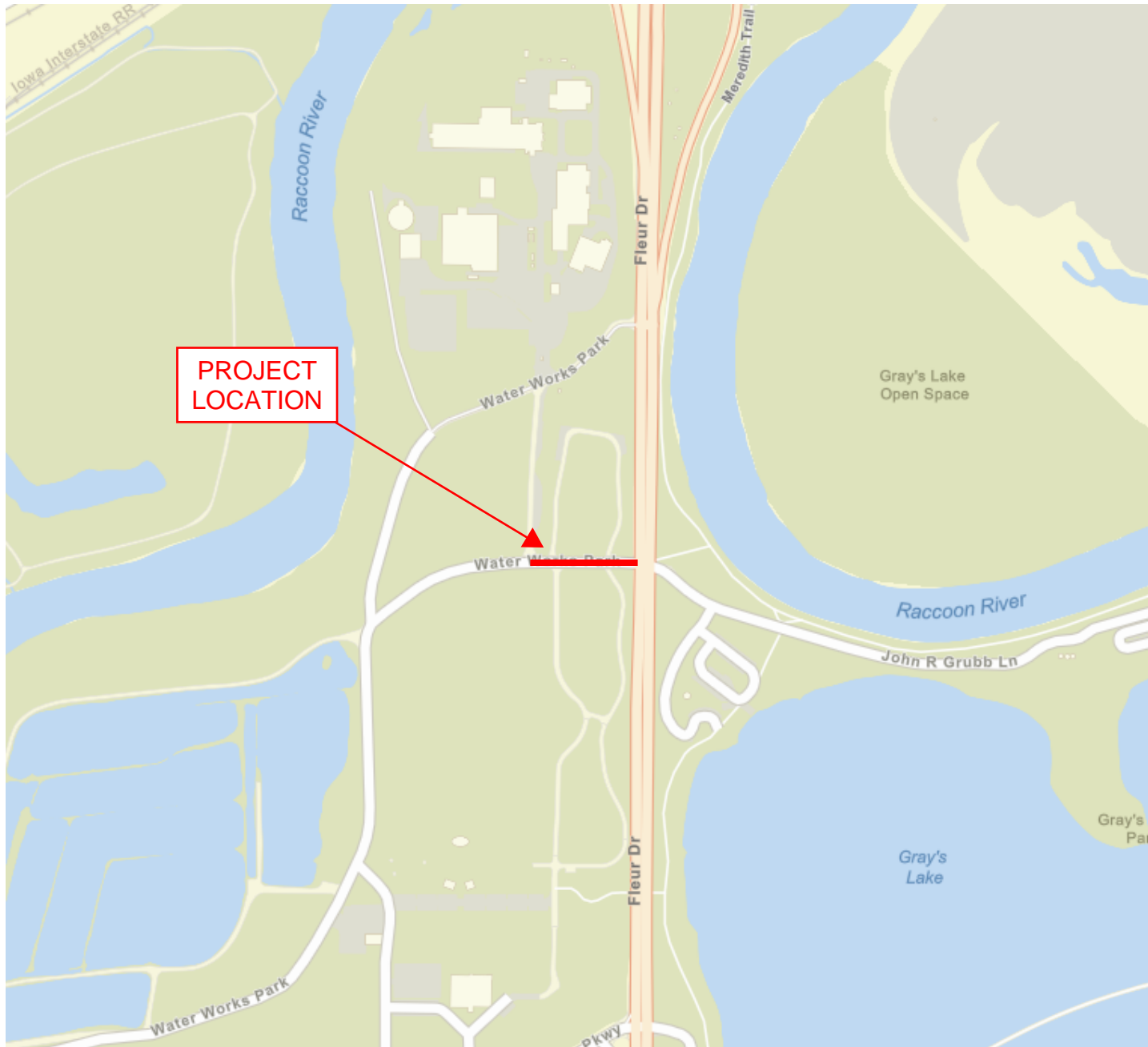
- Authorize staff to solicit bids for the 2024 Water Works Road Project and establish the date of the Public Hearing as the date of the December 2024 Board meeting.

**BOARD REQUIRED ACTION:**

- Motion to authorize staff to solicit bids for the 2024 Water Works Road Project and establish the date of the Public Hearing as the date of the December 2024 Board meeting, and direct staff to publish notice as provided by law.

 Donald K Staley, P.E. (date) <u>10/29/24</u> Project Manager	 Lindsey Wanderscheid, P.E. (date) <u>10/23/24</u> Director of Engineering Services	 Ted Corrigan, P.E. (date) <u>10/24/24</u> CEO and General Manager
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Attachment: Site map





DES MOINES WATER WORKS  
Board of Water Works Trustees

Agenda Item No. III-H  
Meeting Date: October 29, 2024  
Chairperson's Signature Yes  No

**AGENDA ITEM FORM**

**SUBJECT: Request Authorization to Solicit Bids for the 2024 FWTP Distribution Building Improvements – Remodel Phase 1 Project and Establish the Date of the Public Hearing as the Date of the December 2024 Board Meeting**

**SUMMARY:**

- Earlier this year, structural repairs were performed in the upper parking garage portion of the Distribution Building. The upper-level concrete floor system was exhibiting corrosive distress resulting from deposition of de-icing salts carried into the facility by utility vehicles. The deterioration is extensive enough to warrant discontinuing vehicle parking use, but with repairs implemented in this project, the structure can be restored and repurposed to provide needed space for offices and meeting rooms.
- The deteriorated concrete elements were removed and replaced with new materials to restore the overall structure to suitably support the new facility function.
- The distribution ramp is also in poor condition. This Project will construct a new addition to the current Distribution facility. Prior to construction, demolition work will be required to remove the existing ramp and other limited items. This addition will fill the space between the Distribution and Stores buildings. This addition will be constructed with a masonry and steel structure with brick exterior walls. Aluminum entrances and sectional doors and a TPO roof and will include a roof patio with cement pavers on pedestals. Limited ventilation, power and lighting are included in the new building. The locker room will be constructed as a storm safe are. Some civil/utility and site work will be included.
- The engineer's estimate for work on this project is \$2,179,264.
- Staff recommends the Board to authorize staff to solicit bids for the 2024 FWTP Distribution Building Improvements – Remodel Phase 1 project and establish the date of Public Hearing as the date of the December 2024 Board meeting.

**FISCAL IMPACT:**

- Funds for the project will come from the 2024 Facility Management budget.

**RECOMMENDED ACTION:**

- Authorize staff to solicit bids for the 2024 FWTP Distribution Building Improvements – Remodel Phase 1 project and establish the date of Public Hearing as the date of the December 2024 Board meeting.

**BOARD REQUIRED ACTION:**

- Motion to authorize staff to solicit bids for the 2024 FWTP Distribution Building Improvements – Remodel Phase 1 project and establish the date of Public Hearing as the date of the December 2024 Board meeting, and direct staff to publish notice as provided by law.

 Donald K. Staley, P.E. (date) <u>10/29</u> Project Manager	 Lindsey Wanderscheid, P.E. (date) <u>10/23/24</u> Director of Engineering Services	 Ted Corrigan, P.E. (date) <u>10/24/24</u> CEO and General Manager
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Attachments: None

**AGENDA ITEM FORM**

**SUBJECT: Request Authorization to Execute 28E Agreement between Des Moines Water Works and the City of Bondurant for Design, Construction, and Funding of the Bondurant Water Utility Improvements**

**SUMMARY:**

- The existing SE Polk Bondurant Pump Station is located north of I-80 on NE 56<sup>th</sup> Street is sized for 1.5 million gallons per day (MGD) of capacity, is below grade, and is reaching the end of its useful life. The SE Polk Bondurant Pump Station provides water to the northern rural components of the DMWW system and to Bondurant. It is also too small to serve the current and projected demands in the area. A new booster station is required in this area to ensure proper levels of service are delivered.
- Personnel from Des Moines Water Works (DMWW) and the City of Bondurant (Bondurant) have met to discuss a joint booster station and feeder main project that would benefit both parties by effectively doubling the present-day capacity in both feeder main and pump station systems from 1.5 million gallons per day to 3.0 million gallons per day.
- A 28E Agreement is in near-final form that denotes the responsibilities of both DMWW and Bondurant in regard to the design, construction, and commissioning of Bondurant Water Utility Improvements. Major components of the agreement are as follows:
  - Bondurant shall be responsible for the design and public bidding of all major feeder main components. Construction of the feeder main components is estimated to be near \$3.7 million.
  - DMWW shall be responsible for the design and public bidding of the new above-ground pumping station components. Construction of the pumping station components is estimated to be near \$3.5 million.
  - Detailed information regarding the appropriate cost-share for DMWW and Bondurant for both the initial capital and subsequent on-going operating expenses related to the new facilities.
  - Target commissioning dates for both feeder main and pumping station components. Both parties desire both feeder main and pumping station to be fully operational during the 2027 calendar year.
  - Target dates for the abandonment of existing meter pits that serve Bondurant.
- Both DMWW and Bondurant have begun design work for respective elements of the broader project but recognize the need to execute the 28E Agreement in advance of awarding any construction contracts.

**FISCAL IMPACT:**

- Cost-share details are included in the 28E agreement. DMWW will contribute 50% toward the pumping station components and 43% toward the feeder main components. Funds for the DMWW portion of the project will come from present and future Remote Facilities' budgets.

**RECOMMENDED ACTION:**

- Authorize the Chairperson to execute 28E Agreement, upon final legal review by respective legal teams and approval by Bondurant, between Des Moines Water Works and the City of Bondurant for the Bondurant Water Utility Improvements.

**BOARD REQUIRED ACTION:**

- Motion to approve and authorize the Chairperson to execute 28E Agreement, upon final legal review by respective legal teams and approval by Bondurant, between Des Moines Water Works and the City of Bondurant for the Bondurant Water Utility Improvements.

	 Lindsey Wanderscheid, P.E. (date) Director of Engineering Services	 Ted Corrigan, P.E. (date) CEO and General Manager
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**CHAPTER 28E AGREEMENT BY AND BETWEEN  
THE CITY OF BONDURANT, IOWA  
AND THE BOARD OF WATER WORKS TRUSTEES OF THE  
CITY OF DES MOINES, IOWA**

CHAPTER 28E AGREEMENT (hereinafter “this Agreement”) made and entered into by and among the CITY OF BONDURANT, IOWA (“Bondurant”), and the BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, IOWA (“DMWW”) (each a “party” and collectively “the parties”) as of the dates set forth below.

**PREAMBLE**

**WHEREAS**, DMWW and Bondurant, have previously entered into a Water Service Agreement dated April 3, 2000 (“Service Agreement”), which provides the terms on which Bondurant will purchase water from DMWW.

**WHEREAS**, DMWW and Bondurant have previously entered into an August 17, 2020, Water Wheeling Agreement (“Wheeling Agreement”), which provides the terms on which DMWW may wheel water through Bondurant’s distribution water mains to serve DMWW customers.

**WHEREAS**, Bondurant and DMWW have previously entered into a Wholesale Water Service Master Agreement dated June 10, 2005, with related Adoption Annex executed effective July 26, 2005 (the “2005 Wholesale Master Agreement”) with an initial Adoption Annex for Bondurant dated August 1, 2005, allocating 0.5 MGD in purchased capacity and then Supplement Number 1 to Adoption Annex for Bondurant dated February 25, 2014 allocating an additional 0.7 MGD in purchased capacity.

**WHEREAS**, DMWW and Bondurant share capacity and expense in the existing 12-inch water main and pumping station that supply both Bondurant’s system and DMWW’s northern rural system.

**WHEREAS**, the existing pump station has reached the end of its useful life, and the existing 12-inch water main serving Bondurant and DMWW customers no longer has sufficient capacity to meet the collective needs of Bondurant and DMWW.

**WHEREAS**, DMWW and Bondurant desire to enter into an agreement pursuant to Chapter 28E, Iowa Code, to cause, and to undertake, water utility facility improvements that require the design and construction of both a new pumping station and related transmission water main segments, the demolition of the existing pumping station, and the integration of the new facilities with the existing 12-inch water main to add capacity to the respective DMWW and Bondurant service areas; and

**NOW THEREFORE**, in consideration of the mutual undertakings hereby provided, Bondurant and DMWW do hereby agree as follows:

## **Part I - Joint Exercise of Powers Under Iowa Code Chapter 28E**

1. **Purpose:** Pursuant to Iowa Code Chapter 28E, the parties agree that the purposes of this Agreement are to provide for:
  - a. The joint design, construction, and financing by DMWW and Bondurant of certain water utility facilities to be located as illustrated in Exhibit A and as described in Part I, § 2 (hereinafter referred to collectively as the “NE Water Utility Improvements”);
  - b. The ongoing ownership, operation, use and maintenance of both the NE Water Utility Improvements and existing water utility facilities associated with this collaborative effort; and
  - c. Joint exercise of the parties’ respective powers as required for construction, ownership and use of the NE Water Utility Improvements and related matters.
  
2. **Scope of Infrastructure:** The NE Water Utility Improvements shall consist of design and construction of new facilities, and then the demolition and integrated usage of existing facilities. The water utility facilities included in the definition of “NE Water Utility Improvements” are identified in Exhibit A, and described below:
  - a. **Pump Station (“P1”):** P1 will be a new pumping station to be located at a designer-determined location along the route of the existing 12-inch water main. The existing 12-inch water main extends from a 16-inch feeder main near the intersection of Hubbell Ave and East Broadway Ave in Des Moines, Iowa to a wholesale water meter pit (Meter Pit 1) located at the intersection of Hubbell Road SW also known as Highway 65, and NE 62nd Ave in Bondurant, Iowa. The initial engineer’s estimate for construction of P1 is \$3,530,000 (“Pump Station Estimate”).
  - b. **Pump Station (“P2”):** P2 is the existing pumping station located at the northwest quadrant of the intersection of Interstate 80, and 34th Ave NW also known as NE 56th Street in Altoona, Iowa.
  - c. **Suction-Side Water Main (“S1”):** S1 will be a new 12-inch water main that extends from the 16-inch feeder main near the intersection of Hubbell Ave and East Broadway Ave in Des Moines, Iowa to the inlet side of P1.
  - d. **Suction-Side Water Main (“S2”):** S2 will be new 12-inch water main that extends from intersection of NE Aurora Ave and NE 48th St to a dead-end 12-inch water main located at E 50th St in Des Moines, Iowa. The initial engineer’s estimate for S2 is \$200,000 (“S2 Estimate”).
  - e. **Suction-Side Water Main (“S3”):** S3 will be the existing 12-inch water main that extends from the 16-inch feeder main near the intersection of Hubbell Ave and East Broadway Ave in Des Moines, Iowa to the inlet side of P1.

- f. Discharge-Side Water Main (“D1”): D1 will be a new 12-inch water main that extends from the outlet side of P1 to the inlet of M1. The initial engineer’s estimate for D1 and the Suction-Side Water Main S1 is \$3,500,000 (“Transmission Estimate”).
  - g. Discharge-Side Water Main (“D2”): D2 is the existing 12-inch water main that will extend from outlet side of P1 to the inlet of M1.
  - h. Meter Pit 1 (“M1”): M1 is an existing wholesale water meter pit located in the southwest quadrant of the intersection of Hubbell Road SW also known as Highway 65, and NE 62nd Ave in Bondurant, Iowa.
  - i. Meter Pit 2 (“M2”): M2 is an existing wholesale water meter pit located in the southeast quadrant of the intersection of NE 64th St also known as Franklin St SW, and NE 78th Ave also known as 2nd St NW in Bondurant, Iowa.
  - j. Meter Pit 3 (“M3”): M3 is an existing wholesale water meter pit located in the northwest quadrant of the intersection of 15th St SE also known as NE 70th Avenue, and NE 80th also known as Pleasant St SE in Bondurant, Iowa.
  - k. Meter Pit 4 (“M4”): M4 is an existing wholesale water meter pit used to track water DMWW wheels through Bondurant located approximately at 1220 NE Morgan Dr in Bondurant, Iowa.
3. Capacity: The parties agree that during the term of this Agreement, Bondurant will have access to the full capacity of one of the pumps in P1 and the full capacity of D1. DMWW and Bondurant agree that this Agreement is independent of the 2005 Wholesale Master Agreement, and any subsequent amendments, including Supplement Number 1 to the Adoption Annex. Nothing in this Agreement guarantees or represents that the full capacity of one pump in P1 and D1 equals the total capacity that Bondurant may be entitled to under the 2005 Wholesale Master Agreement, and any subsequent amendments including Supplement Number 1 to the Adoption Annex.
4. Facilities Ownership: The NE Water Utility Improvements shall be owned as set forth below, and as further provided in Part III:
- a. P1 will be owned by DMWW. During the term of this Agreement, Bondurant shall have the full use of one pump in P1 as further specified in Part III.
  - b. P2 is owned by DMWW but will be demolished after P1 is operational.
  - c. S1, S2, and S3 will be owned by DMWW.
  - d. D1 and D2 will be owned by DMWW. During the term of this Agreement, Bondurant shall have full use of the capacity of D1 solely in Bondurant’s discretion.

- e. Bondurant will continue to own M1, M2, and M3. Bondurant will continue to operate M1, M2, and M3 to meter water to Bondurant. Bondurant will physically disconnect M2 and M3 from the water mains as further specified in Part VI.
  - f. DMWW will physically disconnect M4 from the water main as further specified in Part VI. DMWW will continue to own M4.
5. Facilities' Cost: The costs of the NE Water Utility Improvements shall be paid as provided in Parts IV and V. Bondurant shall construct at its own, sole cost and expense any other improvements to its system to facilitate the efficient use and implementation of the NE Water Utility Improvements described in this Agreement.
  6. 28E Finding: The parties agree that the NE Water Utility Improvements reflect appropriate regional planning and agree in conformity with Iowa Code § 28E.18 that there are no suitable facilities available for rent or sharing in lieu of the NE Water Utility Improvements.
  7. Effective Date: Pursuant to Iowa Code § 28E.5, the parties agree that this Agreement shall be effective upon its approval and execution by all parties and its filing with the Iowa Secretary of State (the "Effective Date").
  8. Designated Administrator: The parties agree that the CEO and General Manager of DMWW (hereinafter "the DMWW General Manager") shall be designated as the sole administrator of this Agreement for purposes of the design and construction of the NE Water Utility Improvements, as provided by Iowa Code § 28E.6. Each party shall otherwise separately administer its own activities.
  9. No Entity: No separate entity is created by this Agreement.
  10. Individual Ownership and Responsibility: Except as otherwise explicitly provided in this Agreement, each party shall at all times hold and own its respective properties. Each party shall be solely authorized to supervise, direct, and manage its own activities and the activities of its respective employees and agents hereunder. Each party shall retain sole responsibility and liability for its own acts and omissions hereunder and for the acts and omissions of its respective employees and agents hereunder, and each party waives subrogation against the other for all claims, suits, damages, and demands which are covered by any insurance, including but not limited to property, casualty and workers' compensation insurance.
  11. Master Agreement and Other Existing Agreements: The parties acknowledge that they are party to the Wheeling Agreement, 2005 Wholesale Master Agreement, and Supplement Number 1 to the Adoption Annex. These and all other agreements shall remain in effect, except as provided by this Agreement. This Agreement is entered into for the purpose of facilitating the transfer of water identified in the 2005 Wholesale Master Agreement and Supplement Number 1 to the Adoption Annex to Bondurant and permitting DMWW to

supply water to customers beyond Bondurant. Nothing in this Agreement modifies prior agreements between Bondurant and DMWW. If there is a conflict between this Agreement and any other agreement, this Agreement prevails only as to terms that are expressly set forth in this Agreement.

## **Part II - Responsibilities**

1. **DMWW Responsibilities:** DMWW shall have the following responsibilities for design and construction of the following NE Water Utility Improvements:
  - a. DMWW shall be responsible for the design of the P1 and S2 components of the NE Water Utility Improvements in conformance with DMWW's current standard specifications. S2 will be interconnected with S1 and S3.
  - b. DMWW shall obtain all required rights to real estate and other things required for the proper construction of such projects.
  - c. The design may provide for such number of separate contracts consistent with Iowa law as DMWW shall determine in its sole discretion shall best provide for the efficient construction of the P1 and S2 components of the NE Water Utility Improvements and shall include detailed plans and specifications and an engineer's cost estimate for each project included within the P1 and S2 components of the NE Water Utility Improvements. Such plans and specifications may provide for DMWW to procure and supply materials or equipment to the contractor.
  - d. If the total of the engineer's cost estimates for P1 and S2 of the NE Water Utility Improvements is expected to exceed the Pump Station Estimate and S2 Estimate by 20% then DMWW shall consult with Bondurant regarding costs before advertising for bids and letting contracts. The Pump Station Estimate and S2 Estimate will automatically adjust on a project-by-project basis by any increase in the Engineering News Record Construction Cost Index (ENR CCI) after June 2023, and any such adjustment will not trigger consultation required by this section.
  - e. The P1 design shall equip the pump station with three (3) 1.5 million gallon per day pumps.
  - f. The P1 design shall equip the pump station with an emergency generator.
  - g. The P1 design shall equip the station with independent chemical storage tanks, redundant chemical feed equipment, and instrumentation to measure the amount of chemical used by each respective party.
  - h. The P1 design shall direct flows to Bondurant into the Discharge Water Main D1 segment with appropriate flow and volumetric metering.
  - i. The P1 design shall direct flows to DMWW into the Discharge Water Main D2

segment with appropriate flow and volumetric metering.

- j. The P1 design shall include appropriate control and telemetry systems and equipment, both on and off the P1 site, to allow proper data sharing with DMWW and Bondurant.
  - k. DMWW will provide Bondurant design review opportunities at 60%, 90% and 100% stages of design.
2. Bondurant Responsibilities: Bondurant shall have the following responsibilities for design and construction of the following NE Water Utility Improvements:
- a. Bondurant shall be responsible for the design of the S1 and D1 components of the NE Water Utility Improvements.
  - b. Water main segments S1 and D1 shall be designed to meet design standards of DMWW.
  - c. Segments S1, S2, and S3 shall be interconnected with each other within the water distribution system of DMWW.
  - d. D1 and D2 main segments shall be designed to allow interconnection at both the P1 location and at the M1 location. Under normal operations, D1 will serve Bondurant and D2 will serve DMWW. The designed interconnection will serve as an emergency connection for either Bondurant or DMWW when operational constraints require it.
  - e. Bondurant shall obtain all required rights to real estate and other things required for the proper construction of such projects.
  - f. Bondurant's design may provide for such number of separate contracts as permitted by Iowa law and as Bondurant shall determine in its sole discretion shall best provide for the efficient construction of the S1 and D1 components of the NE Water Utility Improvements in a manner consistent with Iowa law.
  - g. Bondurant shall include detailed plans and specifications, and an engineer's cost estimate for each of the S1 and D1 components that are part of the NE Water Utility Improvements. The plans and specifications may provide for Bondurant to procure and supply materials or equipment to the contractor.
  - h. If, at any time, the total of the engineer's cost estimates for all of the S1 and D1 components of the NE Water Utility Improvements is expected to exceed the Transmission Estimate by 20% then Bondurant shall consult with DMWW regarding costs before advertising for bids and letting contracts. The Transmission Estimate will automatically adjust on a project-by-project basis by any increase in the Engineering News Record Construction Cost Index (ENR CCI) after June 2023,

and any such adjustment will not trigger consultation required by this section.

- i. Bondurant shall provide DMWW design review opportunities at 60%, 90%, and 100% stages of design.
  - j. During the term of this Agreement, Bondurant will share with DMWW water tower data from Bondurant's water towers.
3. Contract Administration: The contracts for construction will be administered according to the following:
- a. DMWW and Bondurant shall contract, in their respective sole names, for the construction of their respective components of the NE Water Utility Improvements as provided by law for public improvements, including a public bidding process in accordance with Iowa law. DMWW and Bondurant agree to notify one another of the bid opening dates for all work for which DMWW and Bondurant will take bids in connection with the NE Water Utility Improvements.
  - b. DMWW and Bondurant may each designate a representative to attend such bid openings.
  - c. If costs set forth in the bids exceed the Pump Station Estimate, the S2 Estimate, or the Transmission Estimate, as adjusted by the ENR CCI, by more than twenty percent (20%), DMWW and Bondurant shall give notice to one another of such fact, and DMWW and Bondurant shall not proceed to award a contract at the bid price without the approval of the other party. The parties will confer in good faith regarding whether to recommend awarding the contracts to their respective governing authority. Failure by either Bondurant or DMWW to respond to the other's notice under this section within five (5) business days of the date of the notice shall be construed as approval to proceed to award the contracts.
  - d. DMWW and Bondurant shall be solely responsible for execution of the underlying contracts, and for contract administration, supervision and inspection of each of their respective components of the NE Water Utility Improvements. However, DMWW and Bondurant agree to coordinate all work to avoid conflicts between contractors.
  - e. If cumulative requests by contractor(s) for change orders exceed the contract price by an amount in excess of ten percent (10%) of the original awarded bid, DMWW and Bondurant shall notify one another of such requests, and neither party shall proceed to issue change orders for any amount in excess of 10% of the original awarded bid unless both DMWW and Bondurant give approval to such change orders. The parties will confer in good faith regarding whether to recommend approving the change orders to their respective governing authority. Failure by either Bondurant or DMWW to respond to the other's notice of the change order request within five (5) business days of the date of notice shall be construed as

approval to issue the change order.

- f. DMWW and Bondurant shall not be responsible to each other for not meeting project completion deadlines because of delays caused by obtaining the other parties' approval of contract price and change order costs in excess of engineer's estimates.
  - g. Upon request by DMWW's or Bondurant's contractor(s) for final acceptance of the NE Water Utility Improvements and for final payment, DMWW and Bondurant agree to forward the contractor's request for final acceptance and for final payment, together with all supporting detail, to each other.
  - h. During construction of the NE Water Utility Improvements, DMWW and Bondurant have the right to inspect the progress and quality of construction. The right to inspect is subject to reasonable limitations on time and duration, and must be coordinated with the contractor so as to not unreasonably disrupt work.
  - i. DMWW and Bondurant agree they will not accept any improvements as complete, or authorize final payment of any contractor, without affording qualified personnel designated by the other party the opportunity to inspect, comment, and offer suggestions regarding the punch list of items for completion. If one party objects to the acceptance of such improvements or to final payment to the contractor, they shall notify the other of its specific objections in writing not more than fifteen (15) business days after receipt of the final payment request. If the objections cannot be resolved within 30 business days thereafter, either party may submit the matter to binding arbitration as provided in Part VIII, Section 5.
4. Project Implementation: The parties agree to the following deadline for construction:
- j. P1 will be completed by May 31, 2027.
  - k. S1 and D1 will be completed by November 30, 2025.
  - l. S2 will be completed by May 31, 2026.

DMWW and Bondurant shall not be responsible to each other for failure to meet the construction schedule of this Agreement for reasons beyond either party's control, including but not limited to lack of funding by either Bondurant or DMWW, or unforeseeable construction delays.

5. Water Use During Design and Construction: Under the Service Agreement, Bondurant has access to 483 gallons per minute ("483 GPM") which is approximately 0.7 million gallons per day ("0.7 MGD"). Notwithstanding the Service Agreement, while the NE Water Utility Improvements are under design and construction, Bondurant agrees that it will limit water consumption to no more than 1,000,000 gallons per day ("1 MGD"). This limit will not apply after the NE Water Utility Improvements are operational. After the NE Water Utility

Improvements are operational, Bondurant's total consumption will be limited to 1,200,000 gallons per day ("1.2 MGD"). All water capacity allocations to Bondurant are subject to the availability of sufficient water in DMWW's system as provided by the 2005 Wholesale Master Agreement and the 2014 Supplement Number 1 to Adoption Annex.

**Part III – Ownership and Use of NE Water Utility Improvements**

1. **DMWW Ownership:** DMWW shall have and shall maintain ownership of the following elements of the NE Water Utility Improvements: Pump Station P1; Suction-Side Water Main S1; Suction-Side Water Main S2; Suction-Side Water Main S3; Discharge-Side Water Main D1; Discharge-Side Water Main D2. DMWW shall have sole responsibility for maintenance, repair, improvements, and the costs thereof to operate the facilities which it owns during the period of its ownership, except as provided in this Agreement. Bondurant agrees to execute any documents necessary to convey or confirm ownership of the improvements identified in this section to DMWW, including, but not limited to bills of sale and real estate easements.
  
2. **Use of Facilities:** During the term of this Agreement, Bondurant and DMWW shall have shared use of the NE Water Utility Improvements as follows:
  - a. DMWW will use S1, S2, and S3 to supply water to P1. DMWW will use reasonable efforts to ensure that P1 has adequate supply from S1, S2, and S3 to fully supply D1 and D2. If supply from S1, S2, and S3 is inadequate to supply both D1 and D2, DMWW and Bondurant shall share available capacity evenly.
  
  - b. Bondurant will have an unqualified right to use one of the pumps (the "Bondurant Pump") in P1 to directly supply water to Bondurant via D1. DMWW will have an unqualified right to one of the pumps (the "DMWW Pump") in P1 connected to directly supply water to DMWW via D2. If either DMWW or Bondurant pumps fail or need to be taken out of service, then the third pump shall be available to the party that has the pump that is not operational ("Reserve Pump"). If both the DMWW Pump and Bondurant Pump are inoperable then the parties will agree to negotiate in good faith over use of the Reserve Pump.
  
  - c. Bondurant shall be entitled to use the full capacity of D1, subject only to the availability of water in DMWW's system to supply Bondurant.
  
  - d. DMWW shall be entitled to the full capacity of D2, subject only to the availability of water in DMWW's system to supply DMWW.

After termination of this Agreement, DMWW will be entitled to use, in DMWW's sole discretion, improvements P1, D1, D2, S1, S2, and S3, including the Bondurant Pump. If DMWW deems it necessary, Bondurant will execute any documentation required by DMWW to demonstrate DMWW's ownership and control of P1, D1, D2, S1, S2, and S3.

2. **Documentation:** The rights of ownership and use as provided in this Part III shall be

documented by this Agreement.

#### **Part IV – Participation and Cost Reimbursement**

1. Construction Cost Share and Cost Reimbursements: Bondurant and DMWW agree to share the “Actual Construction Cost” of D1, S1, S2, and P1 of the NE Water Utility Improvements constructed under this Agreement as follows:
  - a. For components P1 and S2, Bondurant and DMWW shall equally share the Actual Construction Cost such that Bondurant and DMWW each pay 50% of the Actual Construction Cost.
  - b. For components S1 and D1, Bondurant shall be responsible for 57% of the Actual Construction Cost, and DMWW shall be responsible for 43% of the Actual Construction Cost.

The term “Actual Construction Cost” includes the sum of contractor progress payments, final contractor payments and “Direct Construction Costs” incurred by both DMWW and Bondurant. Direct Construction Costs include the cost of material, equipment, consultant fees, design, materials, equipment, and fully loaded labor costs.

2. Actual Construction Cost Governs: The preliminary engineer’s construction estimates for Transmission Estimate, S2 Estimate, and Pump Station Estimate of \$7,230,000 is an estimate only and is not guaranteed by DMWW or Bondurant. The Actual Construction Cost incurred as provided herein shall govern the required payments to DMWW and Bondurant, rather than any existing or subsequent engineering estimate.
3. Documentation: DMWW and Bondurant will respectively forward to one another documentation evidencing the contract award amount, contractor progress reports, consultant fees, and Direct Construction Costs at the completion of construction.
4. Invoices: DMWW shall invoice to Bondurant, and Bondurant shall pay Bondurant’s respective portion of the Actual Construction Cost as provided in this Agreement after each governing body of Bondurant and DMWW accepts construction of the NE Water Utility Improvements as complete.
5. Future Capital Cost-Share: During the term of this Agreement, DMWW and Bondurant shall be responsible for all capital costs related to their respective pumps, chemical storage, chemical feed, and instrumentation equipment. During the term of this Agreement, all other capital costs related to the site and the building shall be split evenly, such that DMWW and Bondurant each pay 50% of “Future Capital Costs.” Future Capital Costs include building structural elements such as fixtures, doors, windows, roof, HVAC, emergency generator, driveway, fencing, and other similar elements. After termination of this Agreement as provided in Part VII § 1 , Bondurant will no longer be responsible for any Future Capital Costs for P1.

6. Operation and Maintenance Costs: During the term of this Agreement, DMWW shall have sole responsibility for operation, maintenance, repair, improvements, and the costs thereof to operate Suction-Side Water Main S1; Suction-Side Water Main S2; Suction-Side Water Main S3; Discharge-Side Water Main D1; and Discharge-Side Water Main D2. DMWW and Bondurant agree to share expenses for P1 as specified below:
- a. Each party will pay 100% of its “Direct Expenses.” Direct Expenses are chemical and chemical handling expenses incurred through operation of the DMWW Pump and Bondurant Pump. Direct Expenses also include maintenance expenses on pumping equipment, chemical storage and feed equipment, instrumentation, and control equipment. Direct Expenses incurred for operation of the Reserve Pump will be paid by DMWW unless Bondurant uses the Reserve Pump, in which case Bondurant will pay the Direct Expenses for the Reserve Pump. If DMWW and Bondurant both require use of the Reserve Pump, the parties will negotiate in good faith to split the Direct Expenses.
  - b. “Utility Expenses” are water, gas, and electricity charges. Bondurant shall be responsible for 15% of all monthly Utility Expenses unless Bondurant’s flow-proportionate calculation is greater than 15%. The flow-proportionate calculation is the monthly volume of water pumped by the Bondurant Pump divided by the total monthly volume of water pumped by all pumps in P1. If Bondurant’s flow-proportionate calculation is greater than 15%, then Bondurant shall pay the flow-proportionate percentage of Utility Expenses.
  - c. “Baseline Expenses” include everything that is not a Direct Expense or Utility Expense. Baseline Expenses include, but are not limited to, expenses related to the upkeep and maintenance of the building, emergency generator, snow removal, and lawn maintenance. During the term of this Agreement, DMWW and Bondurant will share equally Baseline Expenses, and each party will pay half of the Baseline Expenses.
7. Payment of Operation and Maintenance Expenses: DMWW shall pay all of the Baseline Expenses, Direct Expenses, and Utility Expenses. DMWW shall invoice Bondurant quarterly for Bondurant’s share of the Baseline Expenses, Direct Expenses, and Utility Expenses, and Bondurant shall pay DMWW the amount of the invoice within 30 days of the date of the invoice.

#### **Part V – Financing**

- 1. Funding Sources: Funding shall come from the parties’ regular sources of revenue and financing as required for each party to meet its obligations under this Agreement.
- 2. Separate Responsibility: Except as otherwise provided herein, each party shall be solely responsible for funding its own operations.

#### **Part VI - Conveyance of Ownership**

1. Transfer of Assets: After completion and final acceptance of the NE Water Utility Improvements, and payment in full of the construction costs by Bondurant and DMWW, DMWW and Bondurant will execute and deliver to each other any additional instruments of conveyance of ownership that each party may require, in a form satisfactory to Bondurant and DMWW, for the assets to be owned by DMWW as set forth in Part III.
2. Meter Pit M1: Bondurant will continue to own Meter Pit M1. M1 shall remain as an emergency connection for Bondurant even after termination of this Agreement.
3. Meter Pits M2 and M3: Bondurant agrees to physically disconnect at water main and abandon its connection to DMWW water main at the M2 and M3 location no later than June 1, 2026.
4. Meter Pit M4: DMWW will physically disconnect at water main and abandon the connection at M4 prior to the commissioning of Bondurant's new water treatment plant, but no later than June 1, 2028.

#### **Part VII – Term and Termination of Agreement**

1. Termination: This Agreement shall commence on the Effective Date and shall automatically terminate on the earliest date of any of the following: (i) thirty (30) days after Bondurant gives notice to DMWW of its intent to terminate this Agreement; or (ii) March 31, 2045, the termination date of the Wholesale Water Service Master Agreement.
2. Continuing Effect: Notwithstanding termination of this Agreement under Part VII, § 1, the requirements that Bondurant provide DMWW with evidence of ownership of the NE Water Utility Improvements specified in this Agreement will continue to bind Bondurant after termination.
3. Termination of Wheeling Agreement: The Wheeling Agreement will terminate between DMWW and Bondurant when DMWW has removed Meter Pit 4 if the removal occurs prior to June 1, 2028. If DMWW has not removed Meter Pit 4 according to this Agreement by June 1, 2028, the Wheeling Agreement will still terminate on June 1, 2028.
4. Termination: If any party determines that another has defaulted in the performance of its obligations hereunder, the aggrieved party may declare that default has occurred and give notice thereof to the defaulting party. Notice of default shall be given in writing, shall specify the nature of the default and the provision of the Agreement involved, and shall specify what action is required of the defaulting party to correct the default. The defaulting party shall have 30 days from the date of its receipt of the notice of default to correct the default. If at the end of said 30-day period, the default has not, in the opinion of the aggrieved party, been corrected, that party may thereupon pursue its remedies as provided in this Agreement. In the event of default by any party in the performance of any material provision of this Agreement, the aggrieved party may, at its option, after declaring default and giving notice thereof, terminate this Agreement or seek specific performance of its

provisions. A party seeking termination of this Agreement due to a default in performance by another party shall also be entitled to seek damages for such default.

### **Part VIII- General Provisions**

1. **Liability; Indemnification:** Each of the parties agree to indemnify the other as provided in this section. Each party (“Indemnifying Party”), to the fullest extent permitted by law, hereby agrees to indemnify, defend, pay on behalf of, and hold harmless the other parties, and its elected officials, its appointed officials, agents, employees and volunteers, and others working on behalf of such party (“Indemnities”), against any and all claims, demands, suits, damages or losses, together with any and all outlay and expense connected therewith including, but not limited to, attorneys’ fees and court costs, that may be asserted or claimed against, recovered from or suffered by the Indemnities by reason of any injury or loss arising out of any wrongful act or omission of the Indemnifying Party, including, but not limited to, bodily injury or death, property damage, including loss of use thereof, and economic damages that arise out of or are in any way connected to this Agreement. No party shall have any right of indemnity for damages or claims proximately caused by its own negligent or intentionally wrongful acts. Each party’s agreements and obligations as set forth in this section are applicable for the duration of and following expiration or termination of this Agreement, regardless of the manner of termination, and notwithstanding other provisions of this Agreement.
2. **Insurance:** Each party shall procure and maintain its own insurance. DMWW and Bondurant shall require all contractors and subcontractors to have and maintain bonds and insurance as set forth in applicable contract documents.
3. **Notices and Invoices:** All notices, invoices and reimbursement requests which the parties are authorized or required to give one another pursuant to this Agreement shall be in writing and may be personally delivered or sent by ordinary mail to the addresses hereafter provided. Mailed notices and invoices shall be deemed to be received by the party to whom directed when they are postmarked. Such notices and invoices shall be delivered or mailed to the following persons at the addresses listed:

**Notices to Bondurant:**

City Administrator and Public Works Director  
City Of Bondurant  
200 Second Street NE PO BOX 37  
Bondurant, IA 50035

**Notices to DMWW:**

General Manager and Chief Executive Officer  
Des Moines Water Works  
2201 George Flag Parkway  
Des Moines, IA 50321-1190

4. Interpretation: If any section, provision or article of this Agreement shall be found to be invalid or unconstitutional, such finding shall not affect the validity of the Agreement as a whole or any section, provision or article thereof not found to be invalid or unconstitutional.
  
5. Dispute Resolution: The parties agree that any disputes arising between them with regard to this Agreement, shall be submitted to binding arbitration as provided below:
  - a. A request for arbitration must be in the form of a written notice requesting arbitration. Such notice shall identify each disputed matter to be submitted to arbitration. In the absence of agreement by the parties to the contrary, the question or questions to be arbitrated shall be those specified in the notice requesting arbitration.
  - b. If the parties agree, there may be one arbitrator. If they fail to agree on a single arbitrator, there shall be three arbitrators, one named in writing by the party requesting arbitration, one named in writing by the other party, and the third chosen by the first two arbitrators so chosen.
  - c. The party requesting arbitration shall choose an arbitrator within ten business days following its demand. Its failure to do so shall be deemed a waiver of its request for arbitration. The other party shall name its arbitrator within ten business days following the receipt of notice of the naming of the requesting party's arbitrator. The two arbitrators first chosen shall name the third arbitrator within ten business days following the selection of the second arbitrator. Should the two arbitrators first chosen fail to appoint a third arbitrator, application shall be made to the Chief Judge of the Iowa District Court having jurisdiction over Polk County by the party requesting arbitration to name such arbitrator. Should either party refuse or neglect to supply the arbitrators with any papers or information demanded in writing by the arbitrators, the arbitrators are empowered to proceed ex parte.
  - d. No one shall be qualified to act as an arbitrator if service in such role would create a conflict of interest. Each arbitrator selected shall be qualified by experience and knowledge of the matter to be submitted to arbitration.
  - e. If there is one arbitrator, the decision shall be binding; if there are three arbitrators, the decision of any two shall be binding. The decision may be set aside or modified only as provided by law. Such decision shall be a condition precedent to any right of legal action.
  - f. The costs of arbitration shall be paid by the party requesting arbitration if it does not prevail in said arbitration proceedings. If the party requesting arbitration prevails in the arbitration proceedings, the cost of arbitration shall be shared equally by the parties.

- g. The decision of the arbitrators shall be in writing, and it shall not be open to objection on account of the form of the proceeding or the award.
6. Entire Agreement: This Agreement represents the entire agreement between the parties related to the NE Water Utility Improvements and the ownership of the NE Water Utility Improvements. Any subsequent change or modification to the terms of this Agreement shall be in the form of a duly approved and executed amendment to this Agreement.
7. Governing Law: This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Iowa. Venue for any dispute related to this Agreement will be the state or federal court having jurisdiction over Polk County, Iowa.
8. Partnership Disclaimer: It is mutually understood that nothing in this Agreement is intended or shall be construed as in any way creating or establishing a partnership between the parties hereto, or as constituting either party as an agent or representative of the other for any purpose or in any manner, other than as specified herein.
9. Counterparts: This Agreement may be executed in multiple counterparts, each of which so executed shall be deemed to be an original.
10. No Assignment: Neither of the parties shall assign this Agreement without the consent of the other parties, which consent shall not be unreasonably withheld.

**IN WITNESS THEREOF**, the parties have caused this Agreement to be executed in counterparts, each of which shall be considered an original.

**[Signatures on separate pages]**

CITY OF BONDURANT, IOWA

By: \_\_\_\_\_

Attest: \_\_\_\_\_

STATE OF IOWA            )  
  ) SS:  
COUNTY OF POLK        )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2024 before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared \_\_\_\_\_ and \_\_\_\_\_, to me personally known, and, who, being by me duly sworn, did say that they are \_\_\_\_\_ and \_\_\_\_\_, respectively of the CITY OF BONDURANT, IOWA; that the seal affixed to the foregoing instrument is the corporate seal of the City, and that the instrument was signed and sealed on behalf of the City, by authority of its City Council, as contained in the Resolution adopted by the City Council, under Roll Call No. \_\_\_ of the City Council on the day of \_\_\_\_\_, 2024, and that \_\_\_\_\_ and \_\_\_\_\_ acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the City by it voluntarily executed.

\_\_\_\_\_  
Notary Public in and for the State of Iowa

BOARD OF WATER WORKS TRUSTEES  
OF THE CITY OF DES MOINES, IOWA

By: \_\_\_\_\_  
Andrea Boulton, Board Chairperson

Attest: \_\_\_\_\_  
Ted Corrigan, General Manager and CEO

STATE OF IOWA    )  
                          )    SS:  
COUNTY OF POLK )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public in and for the State of Iowa, personally appeared Andrea Boulton and Ted Corrigan, to me personally known, and, who being by me duly sworn, did say that they are the Board Chairperson and the Chief Executive Officer and General Manager of the BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, IOWA, that no seal has been procured by the entity; that the instrument was signed on behalf of the entity by authority of its Board as contained in the resolution adopted by the Board on the \_\_\_\_ day of \_\_\_\_\_, 2024, and that Andrea Boulton and Ted Corrigan acknowledged the execution of the instrument to be the voluntary act and deed of the BOARD OF Water Works TRUSTEES OF THE CITY OF DES MOINES, IOWA, by it and by them voluntarily executed.

\_\_\_\_\_  
Notary Public in and for the State of Iowa

## Exhibit A



**AGENDA ITEM FORM**

**SUBJECT: Request Authorization for CEO and General Manager to Execute Change Order No. 6 to 2023 Des Moines Water Main Replacement – Contract 2.**

**SUMMARY:**

- On February 27, 2024, the Board of Water Works Trustees awarded the 2023 Des Moines Water Main Replacement – Contract 2 project to On Track Construction, LLC in the amount of \$3,469,719.00.
- Change Orders No. 1 through 5 were previously executed for changes in work on several streets included in the original contract.
- Change Order No. 6 consists of extending 900 feet of 12-inch PVC water main from NE Aurora Avenue to E 50<sup>th</sup> Street. This work is separate from the streets included in the original contract and construction is planned to occur in advance of the 2024 Northeast Booster Station. These improvements will improve connectivity to the existing 16-inch water main at Hubbell Avenue and E Broadway Avenue. Additional benefits include eliminating a water main dead end and improving fire flow on E 50<sup>th</sup> Street.
- The proposed funding sources for this water main extension are incorporated into the revised 28E Agreement with Bondurant anticipated to be executed within the next several weeks.
- Running Change Order Summary:

Street Location	CO No. – Description	CO Amount
E 34 <sup>th</sup> Street	CO 1 – Add subbase to facilitate street replacement near school	\$6,105.00
E 21 <sup>st</sup> Street	CO 2 – Remove and abandon conflicting storm sewer	\$1,426.90
E 34 <sup>th</sup> Street	CO 3 – Adjust quantity of asphalt street replacement	(\$7,322.60)
Richland Drive	CO 4 – Revise street pavement section along water main trench	(\$47,650.20)
Guthrie Avenue	CO 5 – Abandon water main in railroad right of way	\$8,842.78
NE Aurora Avenue	CO 6 – Add water main extension work	\$101,400.00
	Original Contract Sum	\$3,469,719.00
	Revised Contract Sum	\$3,532,520.88

**FISCAL IMPACT:**

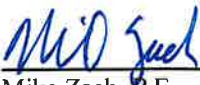


- Funds for Change Orders No. 1 through 5 will come from the 2024 Des Moines Water Main Replacement Budget. Bondurant will reimburse DMWW for 50% of the costs associated with the Change Order 6.

**RECOMMENDED ACTION:**

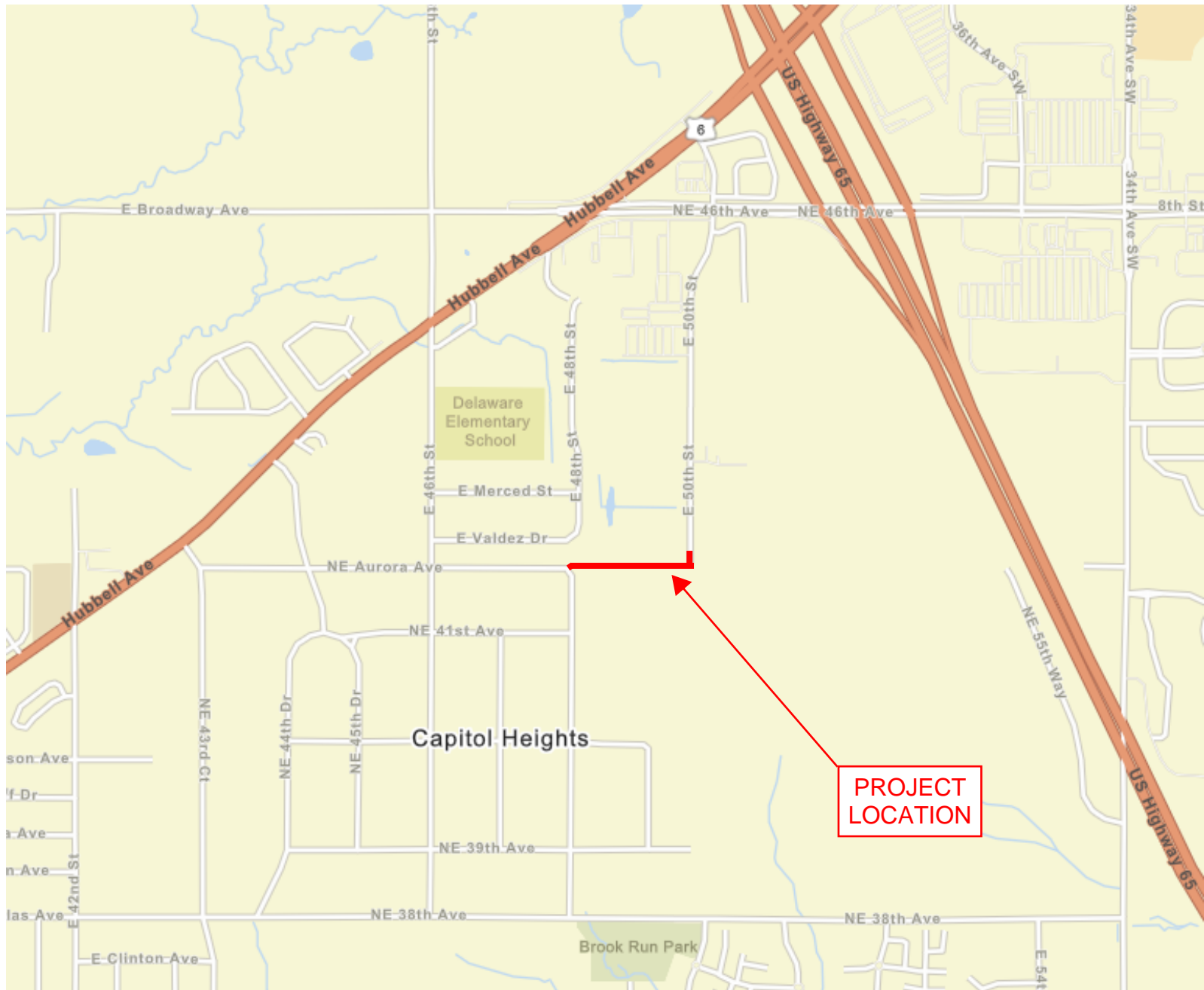
- Authorize the CEO and General Manager to execute Change Order No. 6 to the 2023 Des Moines Water Main Replacement – Contract 2 project in the amount of \$101,400.00 pending execution of the 28E agreement.

**BOARD REQUIRED ACTION:**

- Motion to authorize the CEO and General Manager to execute Change Order No. 6 to the 2023 Des Moines Water Main Replacement – Contract 2 project in the amount of \$101,400.00 pending execution of the 28E agreement.

 Mike Zach, P.E. Engineering Supervisor	10/25/24 (date)	 Lindsey Wanderscheid, P.E. Director of Engineering Services	10/23/24 (date)	 Ted Corrigan, P.E. CEO and General Manager	10/24/24 (date)
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Attachments: Site Map





DES MOINES WATER WORKS  
Board of Water Works Trustees

Agenda Item No. III-K  
Meeting Date: October 29, 2024  
Chairperson's Signature  Yes  No

**AGENDA ITEM FORM**

**SUBJECT: Request Authorization to Solicit Bids for the Northeast Booster Station Project and Establish the Date of the Public Hearing as the Date of the December 2024 Board Meeting**

**SUMMARY:**

- Des Moines Water Works (DMWW) is seeking Board approval this month to enter a 28E Agreement with the City of Bondurant for the design and construction of a new feeder main and booster station to supply additional water to Bondurant and Polk County.
- This contract is for the Northeast Booster Station. This station is an above-ground precast concrete building sized to accommodate booster pumps for Bondurant and DMWW. This will replace the existing SE Polk-Bondurant Pumping Station located at NE 56<sup>th</sup> and I-80 and double the pumping capacity.
- The engineer's estimate for the Northeast Booster Station is \$3,535,000.
- The City of Bondurant will reimburse Des Moines Water Works for 50 percent of the costs associated with design and construction of the Northeast Booster Station.
- Staff recommends the Board to authorize staff to solicit bids for the Northeast Booster Station project and establish the date of Public Hearing as the date of the December 2024 Board meeting.

**FISCAL IMPACT:**

- Bondurant will reimburse DMWW for 50% of the costs associated with the Northeast Booster Station portion of the overall project. The estimated cost of this will obligate \$3,535,000 of the total budgeted project cost of \$6,000,000.

**RECOMMENDED ACTION:**

- Authorize staff to solicit bids for the Northeast Booster Station project and establish the date of Public Hearing as the date of the December 2024 Board meeting, pending execution of the 28E agreement.

**BOARD REQUIRED ACTION:**

- Motion to authorize staff to solicit bids for the Northeast Booster Station project and establish the date of Public Hearing as the date of the December 2024 Board meeting, pending the execution of the 28E agreement, and direct staff to publish notice as provided by law.

	 Lindsey Wanderscheid, P.E. (date) <u>10/23/24</u> Director of Engineering Services	 Ted Corrigan, P.E. (date) <u>10/24/24</u> CEO and General Manager
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Attachments: Site Map





**AGENDA ITEM FORM**

**SUBJECT: 2024 PCPS Aquifer Storage and Recovery (ASR) Well Bid Package 2 (BP2) – Well Pump & Control Building**

**SUMMARY:**

- At its August 2024 Board meeting, the Board of Water Works Trustees authorized staff to solicit bids for the 2024 PCPS Aquifer Storage and Recovery (ASR) Well Bid Package 2 (BP2) – Well Pump & Control Building project.
- Plans, specifications, and contract documents were sent to nine prospective bidders. Four bids were submitted and opened on October 8, 2024, and are summarized as follows:

<u>Bidder</u>	<u>Total Bid</u>
Henkel Construction	\$5,216,000
Woodruff Construction	\$5,687,300
WRH, Inc.	\$5,269,000
Synergy Contracting	\$6,736,531

- The engineer's estimate for the 2024 PCPS Aquifer Storage and Recovery (ASR) Well Bid Package 2 (BP2) – Well Pump & Control Building project is \$5,900,000.
- The low bid for the 2024 PCPS Aquifer Storage and Recovery (ASR) Well Bid Package 2 (BP2) – Well Pump & Control Building project was submitted by Henkel Construction in the amount of \$5,216,000.
- Henkel Construction has successfully completed projects for Des Moines Water Works in the past. Staff recommends an award to Henkel Construction to keep this critical project moving forward.
- Construction of the PCPS Aquifer Storage and Recovery Well will be conducted via two bid packages.

**FISCAL IMPACT:**




- Funds for the PCPS Aquifer Storage and Recovery (ASR) Well project will be obtained from an Iowa State Revolving Fund (SRF) loan.

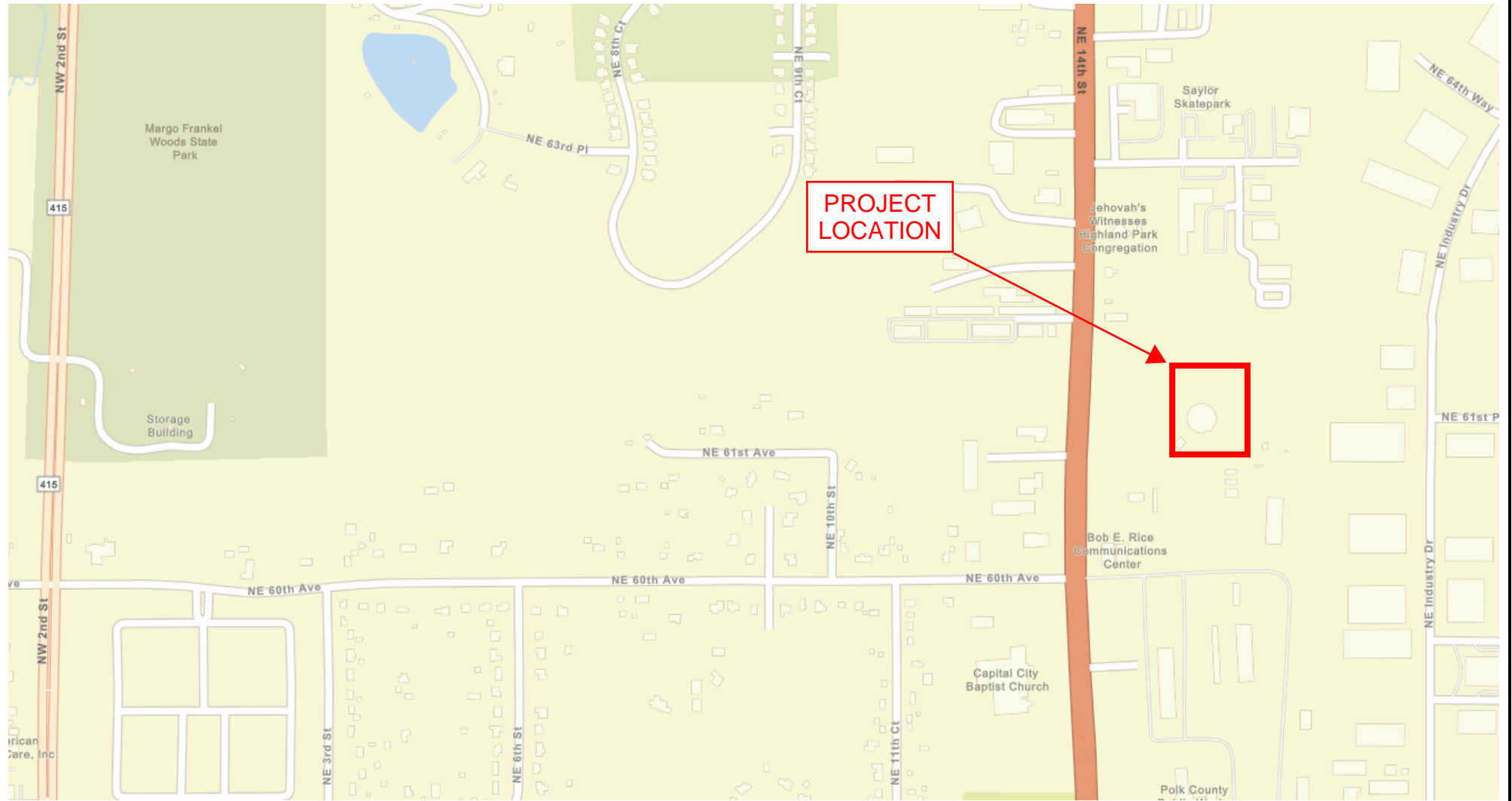
**RECOMMENDED ACTION:**

- Award the 2024 PCPS Aquifer Storage and Recovery (ASR) Well Bid Package 2 (BP2) – Well Pump & Control Building project to Henkel Construction in the amount of \$5,216,000 and authorize the Chairperson and CEO and General Manager to execute the contract.

**BOARD REQUIRED ACTION:**

- Public Hearing – Opened by Chairperson for comments from the public regarding the form of contract, plans and specifications, and estimated cost. Chairperson closes hearing.
- Finding that no facility of the kind to be constructed is available for rent or sharing from another agency.
- Motion for adoption of form of contract, plans and specifications, and estimated cost.
- Analysis of bids received.
- Award the 2024 PCPS Aquifer Storage and Recovery (ASR) Well Bid Package 2 (BP2) – Well Pump & Control Building project to Henkel Construction in the amount of \$5,216,000 and authorize the Chairperson and CEO and General Manager to execute the contract.

 Scott Ayres, P.E. Project Manager	10/23/24 (date)	 Lindsey Wanderscheid, P.E. Director of Engineering Services	10/23/24 (date)	 Ted Corrigan, P.E. CEO and General Manager	10/24/24 (date)
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### Section 28E.18 Finding

To: The Board of Water Works Trustees  
of the City of Des Moines, Iowa


Project: 2024 PCPS Aquifer Storage and Recovery (ASR) Well Bid Package 2  
(BP2) – Well Pump & Control Building

As a result of ongoing contacts with area water agencies, I am familiar with the facilities that exist for water service in the Central Iowa area, including the area of the Project.

The development of the Project takes into account regional planning of water infrastructure needs and is fully consistent with that planning. As a result, the Project reflects appropriate coordination of existing infrastructure utilization among area water utilities.

There are no suitable facilities available for rent or sharing in lieu of the Project.

Dated: October 23, 2024



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Ted Corrigan, P.E.



DES MOINES WATER WORKS  
Board of Water Works Trustees

Agenda Item No. III-M  
Meeting Date: October 29, 2024  
Chairperson's Signature  Yes  No

**AGENDA ITEM FORM**

**SUBJECT: Additional Public Hearing on Asset Transfer to Central Iowa Water Works**

**SUMMARY:**

The Board held a public hearing on transfer of Des Moines Water Works water production facilities to Central Iowa Water Works ("CIWW") on December 19, 2023 as a part of the process for approval and adoption of the 28E-28F Agreement under which CIWW has been created.

It is currently expected that the CIWW will commence its operations as of January 1, 2025 and that assets will be transferred to CIWW effective on that date. The documentation required to transfer assets from Des Moines Water Works to CIWW is being developed and is expected to be brought to the Board of Water Works Trustees at the November 26, 2024 board meeting for ratification.

The Notice of Public Hearing published in 2023 contained detailed, but general, descriptions of the assets to be transferred, but did not include precise legal descriptions to be used in deeds and certain other instruments. In order to remove doubt as to legal title, counsel working on asset transfer have advised that it is desirable to have an additional public hearing pursuant to a published notice that includes relevant legal descriptions. It has also been determined that a tract of land upon which the Fleur Water Treatment Plant is situated should be surveyed and transferred to CIWW by quit claim deed or long-term ground lease rather than by bill of sale and easement as originally contemplated by the CIWW 28E-28F Agreement, and an Additional Public Hearing on that change is also considered desirable. A copy of the recently completed survey of that tract is attached.

A form of Resolution setting the date of public hearing has been prepared for this purpose and is attached.

**FISCAL IMPACT:**

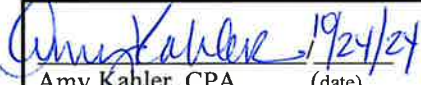

No additional fiscal impact is expected.

**RECOMMENDED ACTION:**

Set public hearing as provided in the attached Resolution.

**BOARD REQUIRED ACTION:**

Motion to adopt attached Resolution by roll call vote.

 Amy Kahler, CPA (date) <u>10/24/24</u> Chief Financial Officer	_____/_____ (date)	 Ted Corrigan (date) <u>10/24/24</u> CEO and General Manager
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Attachment: Resolution; Supporting Exhibit of Land Survey

**RESOLUTION FIXING DATE FOR PUBLIC HEARING ON TRANSFER OF INTERESTS IN REAL PROPERTY BY THE BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES IOWA**

WHEREAS, the Board of Water Works Trustees of the City of Des Moines, Iowa (“Water Board”), is the governing body of the municipal water utility of the same name and popularly known as the Des Moines Water Works, a municipal water utility organized and operating in accordance with Iowa Code Chapter 388 (“DMWW”);;

WHEREAS, the Water Board considered it desirable to establish a shared regional system of drinking water supply production facilities under regional ownership and governance to meet all of its existing and future needs for safe, reliable, abundant, and reasonably priced drinking water to be distributed to its customers;

WHEREAS, DMWW and certain other water utilities, rural water districts and governmental entities have created a new regional water authority as a separate public entity created under Chapter 28E and Chapter 28F, Iowa Code, known as the "Central Iowa Water Works" ("CIWW") to act as a regional water wholesale production and supply entity under the material terms and conditions as set forth in the Central Iowa Water Works 28E/28F Agreement, filed with the Iowa Secretary of State on April 11, 2024 with Filing Number M516883 (the "CIWW Agreement");

WHEREAS, the conditions of membership of DMWW in CIWW, include the transfer by DMWW to CIWW of certain water production and supply assets owned by DMWW that are listed and described in Schedule IV-7 to the CIWW Agreement;

WHEREAS, the transfer of the assets to CIWW as described in Schedule IV-7 to the CIWW Agreement has been previously approved by resolution of the Water Board after a public hearing conducted in accordance with Iowa Code Section 364.7 pursuant to public notice, but such notice did not include the legal description of real estate to be transferred by quit claim deed or by long term ground lease and did not contain legal descriptions of certain tracts owned by DMWW within which CIWW is to be granted easements;

WHEREAS, counsel to DMWW and CIWW have advised that it is in the best interests of the parties to transfer the land upon which the Fleur Water Treatment Plant is located by quit claim deed or by long term ground lease, rather than by easement, as provided in the CIWW Agreement; and

WHEREAS, it is desired to conduct a further public hearing upon further notice in accordance with Iowa Code Section 364.7 that includes legal descriptions of the real estate to be transferred by quit claim deed or by long term ground lease, to CIWW and legal descriptions of certain tracts owned by DMWW within which CIWW is to be granted easements and access rights to provide full transparency and for avoidance of doubt as to the proper authorization of the contemplated transfers.

NOW, THEREFORE IT IS HEREBY RESOLVED, BY THE BOARD OF DMWW:

That the Water Board shall, as a part of its regular meeting at 2201 George Flagg Pkwy, Des Moines, Iowa at 3:30 P.M. on the 26<sup>th</sup> day of November, 2024, conduct a additional public hearing to:

- (i) Approve the transfer by quit claim deed or by long term ground lease of the parcel described in Exhibit A hereto rather than by easement in accordance with the CIWW Agreement, but otherwise under the terms and provisions of the CIWW Agreement;
- (ii) To ratify and confirm the previously approved transfer by quit claim deed of the parcels described in Exhibit B under the terms and provisions of the CIWW Agreement; and
- (iii) To ratify and confirm the previously approved transfer by grant of easements and access rights in and to the parcels described in Exhibit C under the terms and provisions of the CIWW Agreement.

The Board Secretary is directed to cause one publication to be made of a notice of this meeting, in a legal newspaper, printed wholly in the English language, published at least once weekly, and having general circulation in Des Moines, Iowa. The publication to be not less than four (4) nor more than twenty (20) days prior to the date of the hearing on the proposed disposal. The Notice will be in substantially the form attached hereto as Exhibit D with any corrections as may be recommended by counsel.

## **EXHIBIT A**

### **Fleur Drive Water Treatment Plant and Laboratory Parcel (Assets 29 and 30 on Schedule IV-7)**

A PART OF GOVERNMENT LOT 9 AND A PART OF GOVERNMENT LOT 10 OF SECTION 8, TOWNSHIP 78 NORTH, RANGE 24 WEST OF THE 5TH P.M., NOW INCLUDED IN AND FORMING A PART OF THE CITY OF DES MOINES, POLK COUNTY, IOWA AND DESCRIBED AS FOLLOWS;

COMMENCING AT THE NORTH 1/4 CORNER OF SAID SECTION 8; THENCE SOUTH 0°30'35" WEST ALONG THE EAST LINE OF THE NORTHWEST 1/4 OF SAID SECTION 8, A DISTANCE OF 2,060.72 FEET; THENCE NORTH 89°29'25" WEST, 131.79 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 0°26'20" WEST, 247.09 FEET; THENCE SOUTH 40°38'58" WEST, 113.13 FEET; THENCE NORTH 89°13'10" WEST, 81.19 FEET; THENCE NORTH 89°57'52" WEST, 132.04 FEET; THENCE SOUTH 0°18'38" WEST, 370.92 FEET; THENCE NORTH 89°41'22" WEST, 38.23 FEET; THENCE NORTH 0°22'54" EAST, 67.84 FEET; THENCE NORTH 24°02'15" WEST, 4.03 FEET; THENCE NORTH 0°56'28" EAST, 30.90 FEET; THENCE SOUTH 89°31'08" WEST, 109.65 FEET; THENCE SOUTH 0°34'03" WEST, 230.32 FEET; THENCE SOUTHEASTERLY ALONG A CURVE

CONCAVE SOUTHWESTERLY WHOSE RADIUS IS 240.79 FEET, WHOSE ARC LENGTH IS 160.20 FEET AND WHOSE CHORD BEARS SOUTH 54°31'40" EAST, 157.26 FEET; THENCE SOUTH 33°46'40" EAST, 18.81 FEET; THENCE NORTH 88°57'58" EAST, 10.35 FEET; THENCE SOUTH 1°02'02" EAST, 37.69 FEET; THENCE NORTH 89°36'38" WEST, 25.75 FEET; THENCE NORTH 47°25'50" WEST, 71.06 FEET; THENCE NORTH 54°56'31" WEST, 71.12 FEET; THENCE NORTH 58°20'54" WEST 72.81 FEET; THENCE SOUTH 89°36'08" WEST, 255.17 FEET; THENCE SOUTH 0°38'42" WEST 26.42 FEET; THENCE NORTH 89°24'36" WEST, 84.63 FEET; THENCE NORTH 6°01'30" EAST, 61.26 FEET; THENCE NORTH 0°23'35" EAST, 74.34 FEET; THENCE NORTH 21°28'50" WEST, 141.31 FEET; THENCE NORTH 9°10'20" WEST, 41.07 FEET; THENCE NORTH 2°58'08" WEST, 134.83 FEET; THENCE NORTHEASTERLY ALONG A CURVE CONCAVE SOUTHEASTERLY WHOSE RADIUS IS 75.00 FEET, WHOSE ARC LENGTH IS 45.17 FEET AND WHOSE CHORD BEARS NORTH 14°17'10" EAST, 44.49 FEET; THENCE NORTH 31°32'27" EAST, 76.40 FEET; THENCE NORTH 32°43'30" EAST, 94.53 FEET; THENCE NORTH 30°41'45" EAST, 85.85 FEET; THENCE NORTHERLY ALONG A CURVE CONCAVE WESTERLY WHOSE RADIUS IS 200.00 FEET, WHOSE ARC LENGTH IS 77.83 FEET AND WHOSE CHORD BEARS NORTH 19°32'49" EAST, 77.34 FEET; THENCE NORTH 8°23'54" EAST, 79.91 FEET; THENCE NORTH 10°49'37" EAST, 24.85 FEET; THENCE NORTHEASTERLY ALONG A CURVE CONCAVE SOUTHEASTERLY WHOSE RADIUS IS 79.71 FEET, WHOSE ARC LENGTH IS 43.40 FEET AND WHOSE CHORD BEARS NORTH 28°08'19" EAST, 42.86 FEET; THENCE SOUTH 89°29'11" EAST, 290.78 FEET; THENCE SOUTH 57°38'40" EAST, 65.20 FEET; THENCE SOUTH 89°13'36" EAST, 334.68 FEET TO THE POINT OF BEGINNING AND CONTAINING 12.25 ACRES (533,602 S.F.)

**EXHIBIT B**  
**Maffitt Reservoir and Grounds**  
**(Asset 8 on Schedule IV-7)**

The Northeast Fractional Quarter (¼) and the North Sixty-five (65) acres of the East Half (½) of the Northwest Quarter (¼) of Section One (1), Township Seventy-seven (77) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa.; and

The Southeast Fractional Quarter (SE Fr 1/4) of Section 36, Township 78 North, Range 26 West of the 5th P.M., Dallas County, Iowa.; and

The South Half of Section 25, South of the Center of Raccoon River, in Township 78 North, Range 26 West of the 5th P.M.; and

The Northeast Fractional Quarter (NE Fr 1/4) of Section 36, Township 78 North, Range 26 West of the 5th P.M., Dallas County, Iowa.; and

The Southeast 1/4 West of Interstate less road, in Section 31, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.; and

The Southwest 1/4 of the Southwest Fractional 1/4, less 1 acre road, in Section 31, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.; and

The Northwest 1/4 of the Southwest Fractional 1/4, less 2-acre road, in Section 31, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.; and

The East 1/2 of the Southwest Fractional 1/4, less 1.35 acre road, in Section 31, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa, except commencing Center of Section thence West 254.6 feet, South 46.2 feet to the Southerly right-of-way lane of Maffitt Lake Drive and beginning thence West 625.6 feet Southeast 430.4 feet Northeast 201.1 feet to the point of beginning.

The NW 1/4 of Section 6, Township 77 North, Range 25 West of the 5" P.M., Warren County, Iowa EXCEPT that part deeded to the State of Iowa in Warranty Deed recorded in Book 125, Page 162 in the Office of the Warren County Recorder AND EXCEPT Parcel "A" of the survey of the E 1/2 of the NW 1/4 of Section 6, Township 77 North, Range 25 West of the 5" P.M., Warren County, Iowa, as shown in Irregular Plat Book 16, Page 1 of 77-25 and recorded in Book 2002 Page 6843 on June 17, 2002 in the office of the Warren County Recorder.

**Saylorville Water Treatment Plant Parcels  
(Asset 32 on Schedule IV-7)**

Parcel "A" per Survey recorded in Book 10524 at Page 763 A parcel of land located in Lot 2 and Lot 5 of the Plat of the Estate of John Juvenal, an Official Plat recorded in Book D, Page 127 at the Office of the Polk County, Iowa Recorder, said parcel now located in and forming a part of Polk County, Iowa more particularly described as follows:

Commencing at the Northwest corner of said Lot 2 of the Plat of the Estate of John Juvenal, thence S 00° 55' 21" W, 1,200.00 feet along the West line of said Lot 2 and Lot 5 to the Point of Beginning; thence S 00° 55' 21" W, 118.02 feet along the West line of said Lot 5 to the Southwest corner of said Lot 5; thence S 89° 34' 57" E, 1,343.61 feet along the South line of said Lot 5 to the Southeast corner of said Lot 5; thence N 00° 17' 39" E, 967.35 feet along the East line of said Lot 5 to the Southeast corner of the land described in the Warranty Deed to Polk County, Iowa recorded on February 21, 1992 in Book 6508, Page 57 at the Office of the Polk County, Iowa Recorder; thence N 89° 42' 21" W, 300.91 feet along the South line of said described land; thence N 59° 56' 21" W, 460.35 feet along the Southwesterly line of said described land; thence S 00° 55' 21" W, 1,082.05 feet; thence N 89° 04' 39" W, 630.00 feet to the Point of Beginning, except that part deeded to Polk County, Iowa, in Quit Claim Deed filed November 27, 2017 and recorded in Book 16735 Page 21.

AND

Parcel "G" per Survey recorded in Book 10524 at Page 763 A parcel of land located in the SW1/4 of the SW1/4 of Section 4, Township 79 North, Range 24 West of the 5th Principal Meridian, Polk County, Iowa more particularly described as follows:

Commencing at the W1/4 corner of said Section 4, thence S 00° 55' 21" W, 1,318.02 feet along the West line of said Section 4 to the Northwest corner of the said SW1/4 of the SW1/4 of Section 4, the Point of Beginning; thence S 00° 55' 21" W, 362.91 feet along said West line; thence N 90° 00' 00" E, 1,347.60 feet to the East line of said SW1/4 of the SW1/4 of Section 4; thence, N 00° 17' 39" E, 353.07 feet along the said East line to the Northeast corner of said SW1/4 of the SW1/4 of Section 4; thence N 89° 34' 57" W, 1,343.61 feet along North line of said SW1/4 of the SW1/4

of Section 4 to the Point of Beginning, except that part deeded to Polk County, Iowa, in Quit Claim Deed filed November 27, 2017 and recorded in Book 16735 Page 21.

**McMullen Water Treatment Plant; McMullen Raw Water – Collector Wells; McMullen ASR Well; and Joint Maffitt Lake Booster Station  
(Assets 7, 21, 26 and 31 on Schedule IV-7)**

Lots 5, 6 and 7, USS West 1/2 and South of the River in Section 30, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.;

The Northwest Fractional 1/4, except the Southeast 1/4, of Section 31, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.

**LP Moon ASR Well and Booster & Ground Storage Reservoir  
(Assets 20 and 24 on Schedule IV-7)**

A tract of land in the Southwest 1/4 of Section 25, Township 79 North, Range 26 West of the 5th P.M., in Dallas County, Iowa as described in Survey filed on May 27, 1993 and recorded in Book 741 Page 854; Except that part conveyed to the City of Clive, Iowa in Quit Claim Deed recorded in Book 2004 Page 3713 and Except that part conveyed to the City of Clive, Iowa in Quit Claim Deed recorded in Book 2010 Page 15226.

**Army Post ASR Well  
(Asset 19 on Schedule IV-7)**

A parcel of land located in the NE1/4 of the NE1/4 of Section 35 and in the NW1/4 of the NW1/4 of Section 36, all in Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa, more particularly described as follows:

Commencing at the Northeast Corner of said Section 35; thence S 00°13'15" E along the East line of said Section 35, a distance of 254.16 feet to the point of beginning; thence departing said East line of Section 35, N 73°58'30" E, a distance of 526.10 feet to a point of the South Right-of-Way line of Iowa Highway 5; thence S 89°58'00" E along said Right-of-Way, a distance of 50.00 feet; thence departing said Right-of-Way line S 00°02'00" W, a distance of 37.64 feet; thence S 73°58'30" W, a distance of 577.89 feet to the East line of said Section 35; thence S 00°13'15" E along the East line of said Section 35, a distance of 398.04 feet; thence departing East line of said Section 35, S 89°46'45" W, a distance of 450.00 feet; thence N 00°13'15" W, a distance of 423.04 feet to the former Southerly Right-of-Way line of the C & NW Railroad; thence N 67°21'30" E along said Southerly Right-of-Way line, a distance of 75.15 feet; thence S 89°58'00" E, a distance of 380.50 feet to the point of beginning; containing 5.28 acres, more or less.

**Crystal Lake Parcels  
(Asset 9 in Schedule IV-7)**

Lot 9 South of River USS West 1/2 of Section 30, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.

Beginning North 1/4 corner of Section then South 914.14 feet East 210.04 feet Southeast 241 feet Northeasterly 686.85 feet Easterly 300.08 feet Northwest 181.15 feet Northeasterly 426.96 feet Northwest 260.1 feet North to the North line of Section, West to the point of beginning, in Section 31, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.

Government Lots 2, 10, and 11 in USS & Southeast 1/4 Southeast 1/4 lying South of River and West of Interstate I-35, Except the road easement commencing Southeast corner of Section, then West 990.6 feet Southwest 216.8 feet then Northwest 260.1 feet North 276.5 feet Northeast 278.8 feet to the Westerly right-of-way lane Interstate I-35 Northeast 242.3 feet Southeast 526.9 feet to the point of beginning, in Section 30, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.

**Purple Martin Lake Water Resource Area  
(Asset 10 in Schedule IV-7)**

Parcel 2021-217 of Plat of Survey filed December 16, 2021 in Book 18910 Page 715 described as follows:

Beginning at the Northwest corner of Section 32, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa thence South 89°26'00" East along the North line of the Northwest ¼ of said Section 32, 1201.03 feet; thence South 00°04'19" East, 91.59 feet to the North line of Parcel 2016-198, as shown on the Plat of Survey thereof recorded in Book 16214 on Page 28 in the Polk County Recorder's Office; thence South 85°41'56" West along said North line, 552.36 feet; thence South 78°38'01" West along said North line, 217.42 feet; thence South along said North line, to the Northwest corner of said Parcel 2016-198, said point also being on the North Right-of-Way line of ramp "B" as shown on said Plat of Survey; thence North 86°45'43" West along said North Right-of-Way of ramp "B", 167.23 feet to the West line of said Northwest 1/4; thence North 00°14'46" West along said West line, 254.38 feet to the point of beginning.

15.50 acres lying East and adjacent to Interstate, Southeast 1/4 Southeast 1/4 of River in Section 30, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.

Government Lot 11 USS, lying East of Interstate 35, in Section 30, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.

The East 200 feet West 1,460 feet North 200 feet South 317.76 feet West line and North 200 feet South 319.5 feet East line, Southwest 1/4 in Section 29, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.

The South 10 acres of Lot 5 and all of Lot 6 USS South of River and except the East 200 feet West 1,460 feet North 200 feet South 317.76 feet West line and North 200 feet South 319.5 feet East line, South 1/2 Southwest 1/4 less 5.56-acre road in Section 29, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.

The North 30 acres of Lot 5 USS Southwest 1/4, South of River in Section 29, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.

All of Lot 4 USS South of River Official Plat, and the North 1/2 Southwest 1/4 of Section 29, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.

**Hallet Lake Parcel  
(Asset 11 in Schedule IV-7)**

A portion of Government Lot 7, all of Government Lot 8, and a portion of Government Lot 9, all in Section 29, Township 78 North, Range 25, West of the 5th P.M., Polk County, Iowa; and a portion of Lot 8 in the Official Plat of Section 29, T78, R25 (also known as the Official Plat of the North One-Half of Section 29 T78 R25) Polk County, Iowa; and a portion of the SW 1/4 of the NW 1/4 of Section 28, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa; all lying East of the Easterly right-of-way line of SW 105th Street, as it is presently established and South of the Southerly right-of-way line of SW 52nd Avenue, as it is presently established, all of which is more accurately described as follows:

Commencing at the Southwest Corner of the SE 1/4 of said Section 29; thence N00°00'00"E (bearing assumed for the purpose of this description), along the West line of the SE 1/4 of said Section 29, a distance of 1320.00 feet to the Southwest Corner of said Government Lot 7; thence S89°00'48"E, along the South line of said Government Lot 7, a distance of 33.00 feet to the East right-of-way line of said SW 105th Street and to the point of beginning; thence N00°00'00"E, along the East right-of-way line of said SW 105th Street and along a line parallel with and 33.00 feet East of the West line of said Government Lot 7, a distance of 1083.03 feet; thence Northeasterly, along the Easterly right-of-way line of said SW 105th Street and along the Southerly right-of-way line of said SW 52nd Avenue and along a 848.47 feet radius curve concave Southeasterly, a distance of 1336.54 feet said curve having a chord bearing of N45°07'37"E and a chord length of 1202.58 feet; thence S89°44'45"E, along the Southerly right-of-way line of said SW 52nd Avenue, a distance of 700.05 feet; thence Northeasterly along the Southerly right-of-way line of said SW 52nd Avenue and along a 1450.38 feet radius curve concave Northerly, a distance of 278.56 feet, said curve having a chord bearing of N84°45'07"E and a chord length of 278.13 feet; thence N79°15'00"E along the Southerly right-of-way line of said SW 52nd Avenue, a distance of 325.00 feet; thence Northeasterly along the Southerly right-of-way line of said SW 52nd Avenue and along a 2298.99 feet radius curve concave Northwesterly, a distance of 605.22 feet, said curve having a chord bearing of N71°42'30"E and a chord length of 603.47 feet; thence N64°10'00"E along the Southerly right-of-way line of said SW 52nd Avenue, a distance of 600.00 feet; thence Northeasterly along the Southerly right-of-way line of said SW 52nd Avenue and along a 882.57 feet radius curve concave Southeasterly, a distance of 393.00 feet, said curve having a chord bearing of N76°55'23"E and a chord length of 389.76 feet to a point 33.00 feet South of the centerline of SW 52nd Avenue; thence N89°40'47"E, along the Southerly right-of-way line of said SW 52nd Avenue and along a line parallel with and 33.00 feet South of the Centerline of said SW 52nd Avenue, a distance of 269.73 feet to the East line of the SW 1/4 of the NW 1/4 of said Section 28; thence S00°00'00"W, along the East line of the SW 1/4 of the NW 1/4 of said Section 28 and along an existing fence line, a distance of 1282.00 feet to the Southeast Corner of the SW 1/4 of the NW 1/4 of said Section 28; thence S89°48'05"W, along the South line of the SW 1/4 of the NW 1/4 of said Section 28 and along an existing fence line, a distance of 1327.93 feet to the

Southwest Corner of the SW 1/4 of the NW 1/4 of said Section 28 and to the NE Corner of said Government Lot 8; thence S00°16'00"E along the East line of said Government Lot 8, a distance of 1313.00 feet to the Southeast Corner of said Government Lot 8; thence N89°00'48"W along the South line of said Government Lots 8 and 7, a distance of 2589.52 feet to the point of beginning.

**Tenny Standpipe Parcel  
(Asset 23 in Schedule IV-7)**

Lot 4 in Merle Hay-Aurora Place, an Official Plat, now included in and forming a part of the City of Des Moines, Polk County, Iowa.

**NW 26<sup>th</sup> Street Booster Station  
(Asset 27 in Schedule IV-7)**

Lot 18 in HOFFMAN ESTATES, an Official Plat, in Polk County, Iowa.

**EXHIBIT C**

**Des Moines Water Works (Partial) Tract – General Access Easement  
(Assets 2, 3 and 29)**

ALL W OF ML KING JR PKWY ROW GOV LT 10 SEC 8-78-24 [**Parcel No. 782408176002**]

LAND LYG E OF ML KING JR PKWY ROW & N OF FLEUR DR ROW & S OF RACCOON RIVER GOV LT 10 SEC 8-78-24 [**Parcel No. 782408251002**]

EXCEPTION 1 FROM ROW DEDICATION PLAT SHEET 4 BK 12736 PG 582 LYG E OF ML KING, N OF W ML KING, W OF NORTHBOUND FLEUR & S OF SOUTHBOUND FLEUR ROW GOV LT 10 SEC 8-78-24 [**Parcel No. 782408252001**]

LAND LYING S OF FLEUR DR ROW & N OF W ML KING JR PKWY ROW & W OF RACCOON RIVER GOV LOT 10 SEC 8-78-24 [**Parcel No. 782408253001**]

THT PRT E OF FLEUR DR & S OF W ML KING JR PKWY GOV LT 10 SEC 8-78-24 [**Parcel No. 782408255001**]

EXCEPTION 2 FROM ROW DEDICATION PLAT SHEET 4 BK 12736 PG 582 LYG E OF ML KING JR PKWY, W OF NORTHBOUND FLEUR DR & S OF W ML KING JR PKWY GOV LOTS 10 & 11 SEC 8-78-24 [**Parcel No. 782408254001**]

-EX FLEUR DR & ML KING JR PKWY ROW- GOV LOT 9 SEC 8-78-24 [**Parcel No. 782408300005**]

ALL E OF FLEUR DR ROW & ML KING JR PKWY ROW GOV LOT 11 SEC 8-78-24 [**Parcel No. 782408400010**]

LT 5 OP NW 1/4 SEC 8-78-24 [**Parcel No. 782408151001**]

E 12.08 A -EX N 60 F ST- LT 20 OP PRT SEC 7-78-24 [**Parcel No. 782407430001**]

USS LOT 6 SEC 8-78-24 [**Parcel No. 782408300001**]

E 10.09 A LT 21 OP PRT SEC 7-78-24 [**Parcel No. 782407430002**]

LTS 22 & 23 OP PRT SEC 7-78-24 [**Parcel No. 782407476001**]

LT 24 OP PRT SEC 7-78-24 [**Parcel No. 782407476002**]

PRT GOV LOT 7 SEC 8 SE OF RIVER NOW LYING IN SE 1/4 SE 1/4 SEC 7-78-24 [**Parcel No. 782407477001**]

LOT 11 OP GOVT LOTS 2-3 & 4 SEC 18-78-24 [**Parcel No. 782418201002**]

LOT 10 OP GOVT LOTS 2-3 & 4 SEC 18-78-24 [**Parcel No. 782418201001**]

LOT 12 OP GOVT LOTS 3 & 4 SEC 18-78-24 [**Parcel No. 782418126003**]

LOT 13 OP GOVT LOTS 3 & 4 SEC 18-78-24 [**Parcel No. 782418126002**]

LOT 14 OP GOVT LOTS 3 & 4 SEC 18-78-24 [**Parcel No. 782418126001**]

USS LOT 7 SEC 8-78-24 [**Parcel No. 782408300003**]

-EX FLEUR DR- GOV LOT 8 SEC 8-78-24 [**Parcel No. 782408300004**]

ALL NW 1/4 N OF VALLEY DR SEC 17-78-24 [**Parcel No. 782417101001**]

-EX S OF N ROW VALLEY DR- LOT 9 USS NE 1/4 SEC 18-78-24 [**Parcel No. 782418226001**]

-EX N OF S ROW VALLEY DR- LOT 9 USS NE 1/4 SEC 18-78-24 [**Parcel No. 782418227001**]

-EX S OF N ROW VALLEY DR- LOT 8 USS NE 1/4 SEC 18-78-24 [**Parcel No. 782418276001**]

-EX W OF E ROW SW 30TH ST- & -EX N OF S ROW VALLEY DR- & -EX S OF N ROW OF RR- LOT 8 USS NE 1/4 SEC 18-78-24 [**Parcel No. 782418279001**]

-EX N OF S ROW VALLEY DR- & -EX E OF W ROW SW 30TH ST- & -EX S OF N ROW RR- & -EX N 30F OF SWLY 410F MEAS ON N LN OF C & NW RR ROW THRU SE 1/4 NE 1/4- LOT 8 USS NE 1/4 SEC 18-78-24 [**Parcel No. 782418277001**]

-EX S OF N ROW VALLEY DR- LOT 7 USS NE 1/4 SEC 18-78-24 [**Parcel No. 782418251001**]

-EX N OF S ROW VALLEY DR- LOT 7 USS NE 1/4 SEC 18-78-24 [**Parcel No. 782418252001**]

-EX S 1461.43F- W 107A OF SE 1/4 LYG N OF RR ROW & S OF VALLEY DR SEC 18-78-24 [**Parcel No. 782418402001**]

-EX S 1461.43F- W 107A OF SE 1/4 LYG S OF RR ROW SEC 18-78-24 [**Parcel No. 782418403001**]

-EX S 1461.43F- W 107A OF SE 1/4 LYG N OF VALLEY DR SEC 18-78-24 [**Parcel No. 782418401001**]

THT PRT GOV LT 6 S OF RR ROW SEC 18-78-24 [**Parcel No. 782418328001**]

THT PRT GOV LT 6 S OF VALLEY DR ROW & N OF RR ROW SEC 18-78-24 [**Parcel No. 782418327001**]

THT PRT GOV LT 6 N OF N ROW VALLEY DR SEC 18-78-24 [**Parcel No. 782418326001**]

GOV LOT 5 SEC 18-78-24 [**Parcel No. 782418151001**]

W 1/2 SW 1/4 N OF VAC RY LESS 2 A RD SEC 18-78-24 [**Parcel No. 782418301001**]

LTS 7 & 8 USS & -EX N 76F S 126F E 132F W 1229F & BEG 50F N & 1228.87F E OF S 1/4 COR OF SEC THN N 11.5F E 66.92F SWLY 30.2F W 39.01F TO POB & BEG 50F N OF S 1/4 COR OF SEC THN N 17F ELY 1096.88F S 11.5F W 1096.87F TO POB- SW1/4 SE1/4 & -EX N 906F S 1024.2F ON W LN & N 491F S 1024.2F ON E LN W 558F E 1275.9F LYG N OF VALLEY DR- E1/2 SE1/4 LESS 4.5A RD SEC 13-78-25 [**Parcel No. 782513400014**]

-EX BEG 50F N OF S 1/4 COR OF SEC THN W 476.52F N 17F E 476.53F S 17F TO POB- E OF LN BEG 850F E OF SW COR THN N 1024.9F W 596F NW 1010F TO RR ROW NW TO N LN PRT GOV LTS 5 & 6 & SE1/4 SW1/4 LESS .33A RD SEC 13-78-25 [**Parcel No. 782513300014**]

N & W OF LN BEG SW COR GOV LT 5 THN E 498F S 144F E 45.2F NELY 790.29F TO PT 33F W OF RR ROW THN NW TO RIV SW 1/4 SW 1/4 & GOV LT 5 SEC 13-78-25 [**Parcel No. 782513300001**]

N 130F W 15A SW 1/4 SW 1/4 SEC 13-78-2 [**Parcel No. 782513300005**]

N 130F E 1512.5F S 1/2 SE 1/4 S OF RIVER SEC 14-78-25 [**Parcel No. 782514476001**]

S OF RACCOON RIVER & E OF RIVER OAKS TOWNHOMES & E OF RIVER OAKS CENTRE GOV LT 9 SEC 14-78-25 [**Parcel No. 782514427001**]

GOV LT 8 & -EX S 900F- GOV LT 7 & N OF RIVER OAKS CENTRE & N OF RIVER OAKS TOWNHOMES & W OF RACCOON RIVER GOV LT 9 SEC 14-78-25 [**Parcel No. 782514276001**]

LTS 9, 10 & 11 LYG S OF M & ST L RR ROW OP GOVT LTS 1 & 2 SEC 13-78-25 [**Parcel No. 782513202001**]

LTS 9, 12 & 13 LYG SW OF C M ST P & P RR & N OF CRI & P RR OP GOV LTS 1 & 2 SEC 13-78-25 [**Parcel No. 782513201001**]

-EX W 1/2 NW 1/4 NW 1/4- NW1/4 LYING N OF CRI & P RY SEC 13-78-25 [**Parcel No. 782513100002**]

GOV LOTS 3 & 4 & NW 1/4 NW1/4 LYING S OF CRI & P RY & E OF M & STL. RR SEC 13-78-25 [**Parcel No. 782513100005**]

GOV LOT 4 & NW1/4 NW 1/4 LYING W & S RR ROWS & E OF RIVER SEC 13-78-25 [**Parcel No. 782513100004**]

-EX N12.05A- GOV LOT 1 E 1/2 N OF RIVER SEC 14-78-25 [**Parcel No. 782514426001**]

GOV LOT 1 S OF RR ROW & N OF RIVER SEC 14-78-25 [**Parcel No. 782514227001**]

LOTS 6, 7, 8 & 9 CLIFFSIDE [**Parcel No. 782512351001**]

W 1/2 NW 1/4 NW 1/4 LYG N OF C R I & P RY N OF RIVER SEC 13-78-25 [**Parcel No. 782513100001**]

BEG NW COR THN E 120.4F N 16F E 465.3F SWLY 434.25F NW 327.43F TO POB LT 11 TYLER PLACE [**Parcel No. 782514203013**]

BEG NW COR LT 11 TYLER PLACE THN NW 20.41F E 134.97F S 16F W 120.4F TO POB NE 1/4 NW 1/4 SEC 14-78-25 [**Parcel No. 782514203015**]

-EX BEG NW COR THN E 84.3F S 16F W 84.6F N 16F TO POB- LT 9 TYLER PLACE [**Parcel No. 782514213008**]

BEG NE COR LT 5 THN S131F W243.49F N 120.56F E55.3F N12.14F NE 28.02F S25.66F E 177.87F TO POB LTS 4 & 5 TYLER PLACE [**Parcel No. 782514203017**]

-EX N 131F & S 353.51F MEAS ON W LN LYG W OF LT 7- & -EX BEG 131F S OF NW COR THN S 149F E 377F N 149.3F W 377F TO POB- LOT 5 TYLER PLACE [**Parcel No. 782514203010**]

LOT 10 & ACCRETIONS TYLER PLACE [**Parcel No. 782514203014**]

BEG NE COR LT 7 THN S 443.4F SWLY 296.42F W 45.81F NWLY 291.85F NLY 145.99F SE 3.54F NELY 323.34F E 59.52F N60.05F E43.29F NE25.68F SE 241.3F TO POB LTS 5 & 7 TYLER PLACE [**Parcel No. 782514203019**]

EXHIBIT D: Form of Notice of Hearing (Asset Transfer per 364.7)

NOTICE OF MEETING OF THE BOARD OF WATER WORKS TRUSTEES  
OF THE CITY OF DES MOINES, IOWA ON THE MATTER OF THE  
PROPOSITION FOR THE DISPOSAL OF INTERESTS IN REAL PROPERTY  
BY TRANSFERRING PROPERTY TO CENTRAL IOWA WATER WORKS

PUBLIC NOTICE is hereby given that as a part of its regular meeting at 2201 George Flagg Pkwy, Des Moines, Iowa at 3:30 P.M. on the 26<sup>th</sup> day of November, 2024 the Board of Water Works Trustees of the City of Des Moines, Iowa (“Water Board”) which is the governing body of the municipal water utility of the same name and popularly known as the Des Moines Water Works (“DMWW”) will conduct an additional public hearing on the previously approved

transfer of DMWW water production assets to Central Iowa Water Works (“CIWW”) an entity created under the provisions of Chapter 28E and 28F, Iowa pursuant to the terms of a 28E/28F agreement filed with the Iowa Secretary of State on April 11, 2024 filing number M516883 and a copy of which is on file at the offices of DMWW located at 2201 George Flagg Pkwy, Des Moines, Iowa 50321 (the "CIWW Agreement"). The public hearing shall consider actions to:

- (iv) Approve the transfer by quit claim deed of the parcel described in Exhibit A hereto rather than by easement in accordance with the CIWW Agreement, but otherwise under the terms and provisions of the CIWW Agreement;
- (v) To ratify and confirm the previously approved transfer by quit claim deed of the parcels described in Exhibit B under the terms and provisions of the CIWW Agreement; and
- (vi) To ratify and confirm the previously approved transfer by grant of easements and access rights in and to the parcels described in Exhibit C under the terms and provisions of the CIWW Agreement.

At the above meeting, the Board shall receive oral or written objections from any member of the public. After all objections have been received and considered, the Board will at this meeting, or an adjournment thereof, take action on the final determination of the disposal of interests in real property to CIWW as set forth above.

This notice is given by order of the Board as provided by Iowa Code 364.7, as amended.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2024.

BOARD OF WATER WORKS TRUSTEES OF  
THE CITY OF DES MOINES, IOWA

/s/ Ted Corrigan, Board Secretary

### **EXHIBIT A to Notice of Public Hearing**

#### **Fleur Drive Water Treatment Plant and Laboratory Parcel (Assets 29 and 30 on Schedule IV-7)**

A PART OF GOVERNMENT LOT 9 AND A PART OF GOVERNMENT LOT 10 OF SECTION 8, TOWNSHIP 78 NORTH, RANGE 24 WEST OF THE 5TH P.M., NOW INCLUDED IN AND FORMING A PART OF THE CITY OF DES MOINES, POLK COUNTY, IOWA AND DESCRIBED AS FOLLOWS;

COMMENCING AT THE NORTH 1/4 CORNER OF SAID SECTION 8; THENCE SOUTH 0°30'35" WEST ALONG THE EAST LINE OF THE NORTHWEST 1/4 OF SAID SECTION 8, A DISTANCE OF

2,060.72 FEET; THENCE NORTH 89°29'25" WEST, 131.79 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 0°26'20" WEST, 247.09 FEET; THENCE SOUTH 40°38'58" WEST, 113.13 FEET; THENCE NORTH 89°13'10" WEST, 81.19 FEET; THENCE NORTH 89°57'52" WEST, 132.04 FEET; THENCE SOUTH 0°18'38" WEST, 370.92 FEET; THENCE NORTH 89°41'22" WEST, 38.23 FEET; THENCE NORTH 0°22'54" EAST, 67.84 FEET; THENCE NORTH 24°02'15" WEST, 4.03 FEET; THENCE NORTH 0°56'28" EAST, 30.90 FEET; THENCE SOUTH 89°31'08" WEST, 109.65 FEET; THENCE SOUTH 0°34'03" WEST, 230.32 FEET; THENCE SOUTHEASTERLY ALONG A CURVE CONCAVE SOUTHWESTERLY WHOSE RADIUS IS 240.79 FEET, WHOSE ARC LENGTH IS 160.20 FEET AND WHOSE CHORD BEARS SOUTH 54°31'40" EAST, 157.26 FEET; THENCE SOUTH 33°46'40" EAST, 18.81 FEET; THENCE NORTH 88°57'58" EAST, 10.35 FEET; THENCE SOUTH 1°02'02" EAST, 37.69 FEET; THENCE NORTH 89°36'38" WEST, 25.75 FEET; THENCE NORTH 47°25'50" WEST, 71.06 FEET; THENCE NORTH 54°56'31" WEST, 71.12 FEET; THENCE NORTH 58°20'54" WEST 72.81 FEET; THENCE SOUTH 89°36'08" WEST, 255.17 FEET; THENCE SOUTH 0°38'42" WEST 26.42 FEET; THENCE NORTH 89°24'36" WEST, 84.63 FEET; THENCE NORTH 6°01'30" EAST, 61.26 FEET; THENCE NORTH 0°23'35" EAST, 74.34 FEET; THENCE NORTH 21°28'50" WEST, 141.31 FEET; THENCE NORTH 9°10'20" WEST, 41.07 FEET; THENCE NORTH 2°58'08" WEST, 134.83 FEET; THENCE NORTHEASTERLY ALONG A CURVE CONCAVE SOUTHEASTERLY WHOSE RADIUS IS 75.00 FEET, WHOSE ARC LENGTH IS 45.17 FEET AND WHOSE CHORD BEARS NORTH 14°17'10" EAST, 44.49 FEET; THENCE NORTH 31°32'27" EAST, 76.40 FEET; THENCE NORTH 32°43'30" EAST, 94.53 FEET; THENCE NORTH 30°41'45" EAST, 85.85 FEET; THENCE NORTHERLY ALONG A CURVE CONCAVE WESTERLY WHOSE RADIUS IS 200.00 FEET, WHOSE ARC LENGTH IS 77.83 FEET AND WHOSE CHORD BEARS NORTH 19°32'49" EAST, 77.34 FEET; THENCE NORTH 8°23'54" EAST, 79.91 FEET; THENCE NORTH 10°49'37" EAST, 24.85 FEET; THENCE NORTHEASTERLY ALONG A CURVE CONCAVE SOUTHEASTERLY WHOSE RADIUS IS 79.71 FEET, WHOSE ARC LENGTH IS 43.40 FEET AND WHOSE CHORD BEARS NORTH 28°08'19" EAST, 42.86 FEET; THENCE SOUTH 89°29'11" EAST, 290.78 FEET; THENCE SOUTH 57°38'40" EAST, 65.20 FEET; THENCE SOUTH 89°13'36" EAST, 334.68 FEET TO THE POINT OF BEGINNING AND CONTAINING 12.25 ACRES (533,602 S.F.)

**Exhibit B to Notice of Public Hearing  
Maffitt Reservoir and Grounds  
(Asset 8 on Schedule IV-7)**

The Northeast Fractional Quarter (¼) and the North Sixty-five (65) acres of the East Half (½) of the Northwest Quarter (¼) of Section One (1), Township Seventy-seven (77) North, Range Twenty-six (26) West of the 5th P.M., Madison County, Iowa.; and

The Southeast Fractional Quarter (SE Fr 1/4) of Section 36, Township 78 North, Range 26 West of the 5th P.M., Dallas County, Iowa.; and

The South Half of Section 25, South of the Center of Raccoon River, in Township 78 North, Range 26 West of the 5th P.M.; and

The Northeast Fractional Quarter (NE Fr 1/4) of Section 36, Township 78 North, Range 26 West of the 5th P.M., Dallas County, Iowa.; and

The Southeast 1/4 West of Interstate less road, in Section 31, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.; and

The Southwest 1/4 of the Southwest Fractional 1/4, less 1 acre road, in Section 31, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.; and

The Northwest 1/4 of the Southwest Fractional 1/4, less 2-acre road, in Section 31, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.; and

The NW 1/4 of Section 6, Township 77 North, Range 25 West of the 5" P.M., Warren County, Iowa EXCEPT that part deeded to the State of Iowa in Warranty Deed recorded in Book 125, Page 162 in the Office of the Warren County Recorder AND EXCEPT Parcel "A" of the survey of the E 1/2 of the NW 1/4 of Section 6, Township 77 North, Range 25 West of the 5" P.M., Warren County, Iowa, as shown in Irregular Plat Book 16, Page 1 of 77-25 and recorded in Book 2002 Page 6843 on June 17, 2002 in the office of the Warren County Recorder.

**Saylorville Water Treatment Plant Parcels  
(Asset 32 on Schedule IV-7)**

Parcel "A" per Survey recorded in Book 10524 at Page 763 A parcel of land located in Lot 2 and Lot 5 of the Plat of the Estate of John Juvenal, an Official Plat recorded in Book D, Page 127 at the Office of the Polk County, Iowa Recorder, said parcel now located in and forming a part of Polk County, Iowa more particularly described as follows:

Commencing at the Northwest corner of said Lot 2 of the Plat of the Estate of John Juvenal, thence S 00° 55' 21" W, 1,200.00 feet along the West line of said Lot 2 and Lot 5 to the Point of Beginning; thence S 00° 55' 21" W, 118.02 feet along the West line of said Lot 5 to the Southwest corner of said Lot 5; thence S 89° 34' 57" E, 1,343.61 feet along the South line of said Lot 5 to the Southeast corner of said Lot 5; thence N 00° 17' 39" E, 967.35 feet along the East line of said Lot 5 to the Southeast corner of the land described in the Warranty Deed to Polk County, Iowa recorded on February 21, 1992 in Book 6508, Page 57 at the Office of the Polk County, Iowa Recorder; thence N 89° 42' 21" W, 300.91 feet along the South line of said described land; thence N 59° 56' 21" W, 460.35 feet along the Southwesterly line of said described land; thence S 00° 55' 21" W, 1,082.05 feet; thence N 89° 04' 39" W, 630.00 feet to the Point of Beginning, except that part deeded to Polk County, Iowa, in Quit Claim Deed filed November 27, 2017 and recorded in Book 16735 Page 21.

AND

Parcel "G" per Survey recorded in Book 10524 at Page 763 A parcel of land located in the SW1/4 of the SW1/4 of Section 4, Township 79 North, Range 24 West of the 5th Principal Meridian, Polk County, Iowa more particularly described as follows:

Commencing at the W1/4 corner of said Section 4, thence S 00° 55' 21" W, 1,318.02 feet along the West line of said Section 4 to the Northwest corner of the said SW1/4 of the SW1/4 of Section 4, the Point of Beginning; thence S 00° 55' 21" W, 362.91 feet along said West line; thence N 90° 00' 00" E, 1,347.60 feet to the East line of said SW1/4 of the SW1/4 of Section 4; thence, N 00° 17' 39" E, 353.07 feet along the said East line to the Northeast corner of said SW1/4 of the SW1/4 of Section 4; thence N 89° 34' 57" W, 1,343.61 feet along North line of said SW1/4 of the SW1/4

of Section 4 to the Point of Beginning, except that part deeded to Polk County, Iowa, in Quit Claim Deed filed November 27, 2017 and recorded in Book 16735 Page 21.

**McMullen Water Treatment Plant; McMullen Raw Water – Collector Wells; McMullen ASR Well; and Joint Maffitt Lake Booster Station  
(Assets 7, 21, 26 and 31 on Schedule IV-7)**

Lots 5, 6 and 7, USS West 1/2 and South of the River in Section 30, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.;

The Northwest Fractional 1/4, except the Southeast 1/4, of Section 31, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.

**LP Moon ASR Well and Booster & Ground Storage Reservoir  
(Assets 20 and 24 on Schedule IV-7)**

A tract of land in the Southwest 1/4 of Section 25, Township 79 North, Range 26 West of the 5th P.M., in Dallas County, Iowa as described in Survey filed on May 27, 1993 and recorded in Book 741 Page 854; Except that part conveyed to the City of Clive, Iowa in Quit Claim Deed recorded in Book 2004 Page 3713 and Except that part conveyed to the City of Clive, Iowa in Quit Claim Deed recorded in Book 2010 Page 15226.

**Army Post ASR Well  
(Asset 19 on Schedule IV-7)**

A parcel of land located in the NE1/4 of the NE1/4 of Section 35 and in the NW1/4 of the NW1/4 of Section 36, all in Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa, more particularly described as follows:

Commencing at the Northeast Corner of said Section 35; thence S 00°13'15" E along the East line of said Section 35, a distance of 254.16 feet to the point of beginning; thence departing said East line of Section 35, N 73°58'30" E, a distance of 526.10 feet to a point of the South Right-of-Way line of Iowa Highway 5; thence S 89°58'00" E along said Right-of-Way, a distance of 50.00 feet; thence departing said Right-of-Way line S 00°02'00" W, a distance of 37.64 feet; thence S 73°58'30" W, a distance of 577.89 feet to the East line of said Section 35; thence S 00°13'15" E along the East line of said Section 35, a distance of 398.04 feet; thence departing East line of said Section 35, S 89°46'45" W, a distance of 450.00 feet; thence N 00°13'15" W, a distance of 423.04 feet to the former Southerly Right-of-Way line of the C & NW Railroad; thence N 67°21'30" E along said Southerly Right-of-Way line, a distance of 75.15 feet; thence S 89°58'00" E, a distance of 380.50 feet to the point of beginning; containing 5.28 acres, more or less.

**Crystal Lake Parcels  
(Asset 9 in Schedule IV-7)**

Lot 9 South of River USS West 1/2 of Section 30, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.

Beginning North 1/4 corner of Section then South 914.14 feet East 210.04 feet Southeast 241 feet Northeasterly 686.85 feet Easterly 300.08 feet Northwest 181.15 feet Northeasterly 426.96 feet Northwest 260.1 feet North to the North line of Section, West to the point of beginning, in Section 31, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.

Government Lots 2, 10, and 11 in USS & Southeast 1/4 Southeast 1/4 lying South of River and West of Interstate I-35, Except the road easement commencing Southeast corner of Section, then West 990.6 feet Southwest 216.8 feet then Northwest 260.1 feet North 276.5 feet Northeast 278.8 feet to the Westerly right-of-way lane Interstate I-35 Northeast 242.3 feet Southeast 526.9 feet to the point of beginning, in Section 30, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.

**Purple Martin Lake Water Resource Area  
(Asset 10 in Schedule IV-7)**

Parcel 2021-217 of Plat of Survey filed December 16, 2021 in Book 18910 Page 715 described as follows:

Beginning at the Northwest corner of Section 32, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa thence South 89°26'00" East along the North line of the Northwest ¼ of said Section 32, 1201.03 feet; thence South 00°04'19" East, 91.59 feet to the North line of Parcel 2016-198, as shown on the Plat of Survey thereof recorded in Book 16214 on Page 28 in the Polk County Recorder's Office; thence South 85°41'56" West along said North line, 552.36 feet; thence South 78°38'01" West along said North line, 217.42 feet; thence South along said North line, to the Northwest corner of said Parcel 2016-198, said point also being on the North Right-of-Way line of ramp "B" as shown on said Plat of Survey; thence North 86°45'43" West along said North Right-of-Way of ramp "B", 167.23 feet to the West line of said Northwest 1/4; thence North 00°14'46" West along said West line, 254.38 feet to the point of beginning.

15.50 acres lying East and adjacent to Interstate, Southeast 1/4 Southeast 1/4 of River in Section 30, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.

Government Lot 11 USS, lying East of Interstate 35, in Section 30, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.

The East 200 feet West 1,460 feet North 200 feet South 317.76 feet West line and North 200 feet South 319.5 feet East line, Southwest 1/4 in Section 29, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.

The South 10 acres of Lot 5 and all of Lot 6 USS South of River and except the East 200 feet West 1,460 feet North 200 feet South 317.76 feet West line and North 200 feet South 319.5 feet East line, South 1/2 Southwest 1/4 less 5.56-acre road in Section 29, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.

The North 30 acres of Lot 5 USS Southwest 1/4, South of River in Section 29, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.

All of Lot 4 USS South of River Official Plat, and the North 1/2 Southwest 1/4 of Section 29, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa.

**Hallet Lake Parcel**  
**(Asset 11 in Schedule IV-7)**

A portion of Government Lot 7, all of Government Lot 8, and a portion of Government Lot 9, all in Section 29, Township 78 North, Range 25, West of the 5th P.M., Polk County, Iowa; and a portion of Lot 8 in the Official Plat of Section 29, T78, R25 (also known as the Official Plat of the North One-Half of Section 29 T78 R25) Polk County, Iowa; and a portion of the SW 1/4 of the NW 1/4 of Section 28, Township 78 North, Range 25 West of the 5th P.M., Polk County, Iowa; all lying East of the Easterly right-of-way line of SW 105th Street, as it is presently established and South of the Southerly right-of-way line of SW 52nd Avenue, as it is presently established, all of which is more accurately described as follows:

Commencing at the Southwest Corner of the SE 1/4 of said Section 29; thence N00°00'00"E (bearing assumed for the purpose of this description), along the West line of the SE 1/4 of said Section 29, a distance of 1320.00 feet to the Southwest Corner of said Government Lot 7; thence S89°00'48"E, along the South line of said Government Lot 7, a distance of 33.00 feet to the East right-of-way line of said SW 105th Street and to the point of beginning; thence N00°00'00"E, along the East right-of-way line of said SW 105th Street and along a line parallel with and 33.00 feet East of the West line of said Government Lot 7, a distance of 1083.03 feet; thence Northeasterly, along the Easterly right-of-way line of said SW 105th Street and along the Southerly right-of-way line of said SW 52nd Avenue and along a 848.47 feet radius curve concave Southeasterly, a distance of 1336.54 feet said curve having a chord bearing of N45°07'37"E and a chord length of 1202.58 feet; thence S89°44'45"E, along the Southerly right-of-way line of said SW 52nd Avenue, a distance of 700.05 feet; thence Northeasterly along the Southerly right-of-way line of said SW 52nd Avenue and along a 1450.38 feet radius curve concave Northerly, a distance of 278.56 feet, said curve having a chord bearing of N84°45'07"E and a chord length of 278.13 feet; thence N79°15'00"E along the Southerly right-of-way line of said SW 52nd Avenue, a distance of 325.00 feet; thence Northeasterly along the Southerly right-of-way line of said SW 52nd Avenue and along a 2298.99 feet radius curve concave Northwesterly, a distance of 605.22 feet, said curve having a chord bearing of N71°42'30"E and a chord length of 603.47 feet; thence N64°10'00"E along the Southerly right-of-way line of said SW 52nd Avenue, a distance of 600.00 feet; thence Northeasterly along the Southerly right-of-way line of said SW 52nd Avenue and along a 882.57 feet radius curve concave Southeasterly, a distance of 393.00 feet, said curve having a chord bearing of N76°55'23"E and a chord length of 389.76 feet to a point 33.00 feet South of the centerline of SW 52nd Avenue; thence N89°40'47"E, along the Southerly right-of-way line of said SW 52nd Avenue and along a line parallel with and 33.00 feet South of the Centerline of said SW 52nd Avenue, a distance of 269.73 feet to the East line of the SW 1/4 of the NW 1/4 of said Section 28; thence S00°00'00"W, along the East line of the SW 1/4 of the NW 1/4 of said Section 28 and along an existing fence line, a distance of 1282.00 feet to the Southeast Corner of the SW 1/4 of the NW 1/4 of said Section 28; thence S89°48'05"W, along the South line of the SW 1/4 of the NW 1/4 of said Section 28 and along an existing fence line, a distance of 1327.93 feet to the

Southwest Corner of the SW 1/4 of the NW 1/4 of said Section 28 and to the NE Corner of said Government Lot 8; thence S00°16'00"E along the East line of said Government Lot 8, a distance of 1313.00 feet to the Southeast Corner of said Government Lot 8; thence N89°00'48"W along the South line of said Government Lots 8 and 7, a distance of 2589.52 feet to the point of beginning.

**Tenny Standpipe Parcel  
(Asset 23 in Schedule IV-7)**

Lot 4 in Merle Hay-Aurora Place, an Official Plat, now included in and forming a part of the City of Des Moines, Polk County, Iowa.

**NW 26<sup>th</sup> Street Booster Station  
(Asset 27 in Schedule IV-7)**

Lot 18 in HOFFMAN ESTATES, an Official Plat, in Polk County, Iowa.

**Exhibit C to Notice of Public Hearing**

**Des Moines Water Works (Partial) Tract – General Access Easement  
(Assets 2, 3 and 29)**

ALL W OF ML KING JR PKWY ROW GOV LT 10 SEC 8-78-24 [**Parcel No. 782408176002**]

LAND LYG E OF ML KING JR PKWY ROW & N OF FLEUR DR ROW & S OF RACCOON RIVER GOV LT 10 SEC 8-78-24 [**Parcel No. 782408251002**]

EXCEPTION 1 FROM ROW DEDICATION PLAT SHEET 4 BK 12736 PG 582 LYG E OF ML KING, N OF W ML KING, W OF NORTHBOUND FLEUR & S OF SOUTHBOUND FLEUR ROW GOV LT 10 SEC 8-78-24 [**Parcel No. 782408252001**]

LAND LYING S OF FLEUR DR ROW & N OF W ML KING JR PKWY ROW & W OF RACCOON RIVER GOV LOT 10 SEC 8-78-24 [**Parcel No. 782408253001**]

THT PRT E OF FLEUR DR & S OF W ML KING JR PKWY GOV LT 10 SEC 8-78-24 [**Parcel No. 782408255001**]

EXCEPTION 2 FROM ROW DEDICATION PLAT SHEET 4 BK 12736 PG 582 LYG E OF ML KING JR PKWY, W OF NORTHBOUND FLEUR DR & S OF W ML KING JR PKWY GOV LOTS 10 & 11 SEC 8-78-24 [**Parcel No. 782408254001**]

-EX FLEUR DR & ML KING JR PKWY ROW- GOV LOT 9 SEC 8-78-24 [**Parcel No. 782408300005**]

ALL E OF FLEUR DR ROW & ML KING JR PKWY ROW GOV LOT 11 SEC 8-78-24 [**Parcel No. 782408400010**]

LT 5 OP NW 1/4 SEC 8-78-24 [**Parcel No. 782408151001**]

E 12.08 A -EX N 60 F ST- LT 20 OP PRT SEC 7-78-24 [Parcel No. 782407430001]  
USS LOT 6 SEC 8-78-24 [Parcel No. 782408300001]  
E 10.09 A LT 21 OP PRT SEC 7-78-24 [Parcel No. 782407430002]  
LTS 22 & 23 OP PRT SEC 7-78-24 [Parcel No. 782407476001]  
LT 24 OP PRT SEC 7-78-24 [Parcel No. 782407476002]  
PRT GOV LOT 7 SEC 8 SE OF RIVER NOW LYING IN SE 1/4 SE 1/4 SEC 7-78-24 [Parcel No. 782407477001]  
LOT 11 OP GOVT LOTS 2-3 & 4 SEC 18-78-24 [Parcel No. 782418201002]  
LOT 10 OP GOVT LOTS 2-3 & 4 SEC 18-78-24 [Parcel No. 782418201001]  
LOT 12 OP GOVT LOTS 3 & 4 SEC 18-78-24 [Parcel No. 782418126003]  
LOT 13 OP GOVT LOTS 3 & 4 SEC 18-78-24 [Parcel No. 782418126002]  
LOT 14 OP GOVT LOTS 3 & 4 SEC 18-78-24 [Parcel No. 782418126001]  
USS LOT 7 SEC 8-78-24 [Parcel No. 782408300003]  
-EX FLEUR DR- GOV LOT 8 SEC 8-78-24 [Parcel No. 782408300004]  
ALL NW 1/4 N OF VALLEY DR SEC 17-78-24 [Parcel No. 782417101001]  
-EX S OF N ROW VALLEY DR- LOT 9 USS NE 1/4 SEC 18-78-24 [Parcel No. 782418226001]  
-EX N OF S ROW VALLEY DR- LOT 9 USS NE 1/4 SEC 18-78-24 [Parcel No. 782418227001]  
-EX S OF N ROW VALLEY DR- LOT 8 USS NE 1/4 SEC 18-78-24 [Parcel No. 782418276001]  
-EX W OF E ROW SW 30TH ST- & -EX N OF S ROW VALLEY DR- & -EX S OF N ROW OF RR- LOT 8 USS NE 1/4 SEC 18-78-24 [Parcel No. 782418279001]  
-EX N OF S ROW VALLEY DR- & -EX E OF W ROW SW 30TH ST- & -EX S OF N ROW RR- & -EX N 30F OF SWLY 410F MEAS ON N LN OF C & NW RR ROW THRU SE 1/4 NE 1/4- LOT 8 USS NE 1/4 SEC 18-78-24 [Parcel No. 782418277001]  
-EX S OF N ROW VALLEY DR- LOT 7 USS NE 1/4 SEC 18-78-24 [Parcel No. 782418251001]  
-EX N OF S ROW VALLEY DR- LOT 7 USS NE 1/4 SEC 18-78-24 [Parcel No. 782418252001]  
-EX S 1461.43F- W 107A OF SE 1/4 LYG N OF RR ROW & S OF VALLEY DR SEC 18-78-24 [Parcel No. 782418402001]  
-EX S 1461.43F- W 107A OF SE 1/4 LYG S OF RR ROW SEC 18-78-24 [Parcel No. 782418403001]  
-EX S 1461.43F- W 107A OF SE 1/4 LYG N OF VALLEY DR SEC 18-78-24 [Parcel No. 782418401001]

THT PRT GOV LT 6 S OF RR ROW SEC 18-78-24 [**Parcel No. 782418328001**]

THT PRT GOV LT 6 S OF VALLEY DR ROW & N OF RR ROW SEC 18-78-24 [**Parcel No. 782418327001**]

THT PRT GOV LT 6 N OF N ROW VALLEY DR SEC 18-78-24 [**Parcel No. 782418326001**]

GOV LOT 5 SEC 18-78-24 [**Parcel No. 782418151001**]

W 1/2 SW 1/4 N OF VAC RY LESS 2 A RD SEC 18-78-24 [**Parcel No. 782418301001**]

LTS 7 & 8 USS & -EX N 76F S 126F E 132F W 1229F & BEG 50F N & 1228.87F E OF S 1/4 COR OF SEC THN N 11.5F E 66.92F SWLY 30.2F W 39.01F TO POB & BEG 50F N OF S 1/4 COR OF SEC THN N 17F ELY 1096.88F S 11.5F W 1096.87F TO POB- SW1/4 SE1/4 & -EX N 906F S 1024.2F ON W LN & N 491F S 1024.2F ON E LN W 558F E 1275.9F LYG N OF VALLEY DR- E1/2 SE1/4 LESS 4.5A RD SEC 13-78-25 [**Parcel No. 782513400014**]

-EX BEG 50F N OF S 1/4 COR OF SEC THN W 476.52F N 17F E 476.53F S 17F TO POB- E OF LN BEG 850F E OF SW COR THN N 1024.9F W 596F NW 1010F TO RR ROW NW TO N LN PRT GOV LTS 5 & 6 & SE1/4 SW1/4 LESS .33A RD SEC 13-78-25 [**Parcel No. 782513300014**]

N & W OF LN BEG SW COR GOV LT 5 THN E 498F S 144F E 45.2F NELY 790.29F TO PT 33F W OF RR ROW THN NW TO RIV SW 1/4 SW 1/4 & GOV LT 5 SEC 13-78-25 [**Parcel No. 782513300001**]

N 130F W 15A SW 1/4 SW 1/4 SEC 13-78-2 [**Parcel No. 782513300005**]

N 130F E 1512.5F S 1/2 SE 1/4 S OF RIVER SEC 14-78-25 [**Parcel No. 782514476001**]

S OF RACCOON RIVER & E OF RIVER OAKS TOWNHOMES & E OF RIVER OAKS CENTRE GOV LT 9 SEC 14-78-25 [**Parcel No. 782514427001**]

GOV LT 8 & -EX S 900F- GOV LT 7 & N OF RIVER OAKS CENTRE & N OF RIVER OAKS TOWNHOMES & W OF RACCOON RIVER GOV LT 9 SEC 14-78-25 [**Parcel No. 782514276001**]

LTS 9, 10 & 11 LYG S OF M & ST L RR ROW OP GOVT LTS 1 & 2 SEC 13-78-25 [**Parcel No. 782513202001**]

LTS 9, 12 & 13 LYG SW OF C M ST P & P RR & N OF CRI & P RR OP GOV LTS 1 & 2 SEC 13-78-25 [**Parcel No. 782513201001**]

-EX W 1/2 NW 1/4 NW 1/4- NW1/4 LYING N OF CRI & P RY SEC 13-78-25 [**Parcel No. 782513100002**]

GOV LOTS 3 & 4 & NW 1/4 NW1/4 LYING S OF CRI & P RY & E OF M & STL. RR SEC 13-78-25 [**Parcel No. 782513100005**]

GOV LOT 4 & NW1/4 NW 1/4 LYING W & S RR ROWS & E OF RIVER SEC 13-78-25 [Parcel No. 782513100004]

-EX N12.05A- GOV LOT 1 E 1/2 N OF RIVER SEC 14-78-25 [Parcel No. 782514426001]

GOV LOT 1 S OF RR ROW & N OF RIVER SEC 14-78-25 [Parcel No. 782514227001]

LOTS 6, 7, 8 & 9 CLIFFSIDE [Parcel No. 782512351001]

W 1/2 NW 1/4 NW 1/4 LYG N OF C R I & P R Y N OF RIVER SEC 13-78-25 [Parcel No. 782513100001]

BEG NW COR THN E 120.4F N 16F E 465.3F SWLY 434.25F NW 327.43F TO POB LT 11 TYLER PLACE [Parcel No. 782514203013]

BEG NW COR LT 11 TYLER PLACE THN NW 20.41F E 134.97F S 16F W 120.4F TO POB NE 1/4 NW 1/4 SEC 14-78-25 [Parcel No. 782514203015]

-EX BEG NW COR THN E 84.3F S 16F W 84.6F N 16F TO POB- LT 9 TYLER PLACE [Parcel No. 782514213008]

BEG NE COR LT 5 THN S131F W243.49F N 120.56F E55.3F N12.14F NE 28.02F S25.66F E 177.87F TO POB LTS 4 & 5 TYLER PLACE [Parcel No. 782514203017]

-EX N 131F & S 353.51F MEAS ON W LN LYG W OF LT 7- & -EX BEG 131F S OF NW COR THN S 149F E 377F N 149.3F W 377F TO POB- LOT 5 TYLER PLACE [Parcel No. 782514203010]

LOT 10 & ACCRETIONS TYLER PLACE [Parcel No. 782514203014]

BEG NE COR LT 7 THN S 443.4F SWLY 296.42F W 45.81F NWLY 291.85F NLY 145.99F SE 3.54F NELY 323.34F E 59.52F N60.05F E43.29F NE25.68F SE 241.3F TO POB LTS 5 & 7 TYLER PLACE [Parcel No. 782514203019]





DES MOINES WATER WORKS  
Board of Water Works Trustees

Agenda Item No. Information Items A-D  
Meeting Date: October 29, 2024  
Chairperson's Signature  Yes  No

**AGENDA ITEM FORM**

**SUBJECT: Information Items**

**SUMMARY:**

- A. Board Committee Reports
  - Finance and Audit Committee
  - Planning Committee
- B. Board Membership Reports
  - Central Iowa Water Works Board
  - Greater Des Moines Botanical Garden Board
  - Des Moines Water Works Park Foundation
- C. CEO and General Manager's Comments
- D. Utility Updates
  - Safety Update
  - Community Outreach Update
  - Contract Status and Professional Service Agreements

**FISCAL IMPACT:**

No impact to the budget.

**RECOMMENDED ACTION:**

For review and discussion.

**BOARD REQUIRED ACTION:**

Review and discussion.

_____ / _____ (date)	_____ / _____ (date)	 Ted Corrigan, P.E. _____ CEO and General Manager (date)
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Attachments: DMWWPF Executive Summary; September Board Minutes; August Financials; DMWWPF Events; Safety Update; Community Outreach Update; Contract Status and Professional Services Agreements Spreadsheets

**DES MOINES WATER WORKS PARK FOUNDATION**  
**Board of Directors Meeting**  
**Friday, September 13, 2024 – 12:00 – 1:30 pm**  
**Meeting Minutes**



**Des Moines Biergarten**

**DMWWPF Vision:** *Water Works Park is the place where nature and people flourish.*

**DMWWPF Mission:** *Foster stewardship for clean water and nature through unique learning opportunities, cultural experiences, and outdoor adventures.*

**Present:** MD Isley, Jenni Herrera, Drew Manatt, MD Isley, Angie Fager-Chia, Tyler Strub, Andrea Boulton, Ashley Aust, Brad Sporrer, Ardis Kelley, Corey Morrison, Pat Bruner

**Virtual:** None – Meeting held in person at the Biergarten

**Guests/Staff:** Chris Burch, Sam Carrell, Teri TeBockhorst, Andy TeBockhorst

- I. **Call to Order & Welcome/Affirm Agenda** – Brad Sporrer Brad Sporrer called the meeting to order at 12:08 PM.
- II. **Approve May Meeting Minutes** – Brad Sporrer  
August BOD minutes were reviewed and approved as is.  
**Motion to Approve:** Angie Fager-Chia **Second:** Corey Morrison **Approved**
- III. **Guest Speaker** – Alec Davis – Alec Davis from the Biergarten spoke to the board about the history, current operations, and new and upcoming initiatives at the Biergarten. Items of particular note were:
  - Labor Day weekend was the second anniversary of the Biergarten, which has been more successful than he imagined it would be.
  - The Biergarten's season can easily be expanded or contracted as weather conditions permit - people will come out in March or even February if the weather is good. Hours will switch to pop up mode after October. Generally, shut down for 3-4 months during winter, except for days the weather allows them to be open.
  - Alec projects 2024 revenue sharing with the park foundation to be \$75,000, which is 50% over budget.
  - Regulatory issues and permitting have been challenging. Sam Carrell has helped work with food inspectors, the city, and various documentation.
  - Being part of the bike community is important for the Biergarten. Bike trails have been under construction in 2<sup>nd</sup> half of summer, which affected sales. But the weather was good this year except for a couple of storms, one of which damaged some fencing and moved the Mars trailer.
  - We do LBBB on Sunday, but Alex does music and other programming the rest of the week
  - They have been working with the Des Partnership to reintroduce Des Moines Senior Sed on Fridays
- IV. **Executive Director Report** – Andrea Boulton introduced Chris Burch as the new Executive Director to the board. The board members and consultants introduced themselves, and Chris made a few brief remarks in thanks for his new role.
- V. **Financial Report** – Ardis Kelley discussed the financials for August. Key items included the following:
  - Significant income from events in June and July was received in August. \$154,000 from concerts and events and \$23,000 from the Biergarten. This boosted assets from \$643K to \$485K in August.
  - Had been operating in the red YTD, but with the cash inflow in August we are now \$48K positive YTD.

- A gift of \$100,000 from the Burnett family was received this week and Knotfest will produce significant income prior to the end of the season, along with some remaining Corporate Tent, Biergarten and rental income.
- Sam discussed the final details of the Burnett endowment and the significance it will have both on our annual operational budget the next five years and as catalyst funding for our next projects of the Master Plan. He indicated the foundation will be receiving an additional \$1M before the end of the year but the family was still working through the financial structure with the family and how the remaining portion of the gift will be realized.
  - Corey Morrison indicated we will need BOD involvement in documenting and approving this gift to ensure it is as much of a “contract” as possible.
  - Jenny Herrera stated we would like to have the agreement entered into as an exhibit so this is documented for the BOD.
  - Sam confirmed the \$100K payment was reflected in this year’s budget as he had been working with the family for almost two years and while the total amount they are gifting is clear, the family was still working through the gifts structure.

**Motion to Accept Financials:** Ashley Aust      **Second:** Jenni Herrera      **Approved**

## VI. Committee Reports

- Governance – Ashley Aust – There were no updates.
- Programming – Jenny Herrera – Jenny reported on the following:
  - Iowa Innovation Award was presented on Labor Day weekend. Recognition stones will go in this fall after Slip Knot event.
  - Signage/Donor Event
    - We will not be able to install the sign before the end of the year (weather, timing, financials).
    - We will have a donor event this fall on Tuesday, Oct 15<sup>th</sup>, but not a dinner like last year.
      - During the event we will introduce Chris Burch, unveil signage artwork, and recognize donors.
      - It will be a stand up event on Lauridsen stage with more time for socializing - 30 minutes prior to program.
  - Chris Burch will be the event lead for the DM Marathon
- Marketing/Website – Corey Morrison
  - Had a meeting update this week wherein Chris Burch and the committee discussed branding updates, etc.
  - Now Now took the team through a website review.
  - Discussions were held regarding a brand refresh for 2025. Chris has met with Melissa at the utility as well to make sure we are consistent
- DMWW – Amy Kahler was not present. Pat Bruner reported for DMWW.
  - Pumpage is down after record high years due to rainfall this summer, but we are still going to meet budget.
  - CIWW initiative is up and running. The organization has hired an Exec Asst, and are looking for an Exec Director.
  - Andrea Boulton suggested this is a good time to meet with the interim ED of CIWW.

## VII. Executive Director Report – Chris Burch updated the board on his activities since joining DMWWPF. He briefly discussed the following:

- It has been an exciting and refreshing time coming onboard and is beginning to understand scope of services from Sam and Headlight Strategies.
- He has connected with Crystal in the last two weeks several times and is anxious to attend committee meetings.
- The park has several events setting up today for the weekend, which is a great example of how dynamic the park is.
- Knotfest – Chris has been surprised how detailed all of this is, and Chris has taken on the role of public information officer for the event even though he has little personal knowledge of Slip Knot.

- Oktoberfest September 27<sup>th</sup> and 28<sup>th</sup>.
- Wants to meet with all BOD members individually and understand what drives them to volunteer for DMWWPF.

#### VIII. Consultant Report

- Headlight - see uploaded report
  - Website initiative – Teri is working on a grant app to accompany the website - will be for pro photo/video (Travel Iowa applying for \$10k) would last over several months to incorporate seasons, etc.
  - The upcoming Waldinger Event is estimated to have approximately 1,600 people.
  - Teri is working with Mammoth on Knotfest, FAQs, etc.
  - Teri is doing Board one on one discussions about next year's board roles leading up to a governance report for Chris.
  - Corey asked if CatchDSM has any involvement with Knotfest – Is GeoFence using CatchDSM's technology? How can we use that to report the economic impact of the event?
- Sam Carrell – Sam briefly discussed the remaining schedule of events and the following:
  - Mindy Toyne stopped in to discuss Oktoberfest.
    - 20th year - 2nd here in the park, Friends of the Park got a BoGo offer.
    - Expressed gratitude for support and partnership.
    - Passed around tickets for BOD members to attend Oktoberfest.
    - Rathbones are reuniting to play this year and played in the first Oktoberfest
  - Bridge
    - Started to have preliminary discussions with Ted Corrigan and Carl Voss.
    - The bridge is responsibility of the utility, but they would like our help.
    - Sam distributed info in the board packet including the hydrology report we contributed to in 2021, examples of the kinds of bridges that can go in, why we need a new bridge, etc. Also included the inspection report - rated for 6-7 ton vehicle currently.
    - Andrea - There is a grant opportunity coming up very quickly with Dept. of Transportation - might be something we should be looking into for this.
  - Orientation for Chris Burch is going well.
    - Sam will be cancelling recurring meeting notifications and Chris will be replacing them.
    - Would like to move the October Board Meeting to 10/18 (Friday after the donor event).
- **Announcements** – The board recognized MD Isley's DSM Magazine LGBTQ Legacy Leader Award.

#### IX. Adjourn – The meeting was adjourned at 1:31 PM.

**Motion to Approve:** Jenni Herrera      **2nd:** Ashley Aust      **Approved**

#### **DMWWPF Values:**

1. *Conservation: We are a model of urban conservation that protects and promotes our natural environment through engaging amenities and activities, with an intentional focus on clean water.*
2. *Well-being: We provide opportunities for park lovers of any age to invigorate their bodies and quiet their minds through recreation, play, and connection to nature.*
3. *Collaboration: We nurture and grow strategic partnerships with other organizations and community attractions to maximize our collective impact.*

4. *Inclusion: We create a place that is welcoming to all, encouraging and growing understanding, and connection to strengthen our community. We are everyone's park.*

5. *Amazement: We leverage 1500 acres of urban greenspace to create unique experiences that delight and amaze human visitors, while respecting and enhancing the park's ecosystem.*

**Des Moines Water Works Park Foundation**  
**Comparative Statements of Financial Position**  
As of September 30, 2024

	Sep 30, 24	Aug 31, 24
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
11861 · Checking-DMWWPF Bankers Trust#2	201,451.23	200,558.32
12055 · Savings-DMWWPF Bankers Trust	1,252.79	1,252.41
<b>Total Checking/Savings</b>	202,704.02	201,810.73
<b>Accounts Receivable</b>		
16020 · Pledges Receivable	388,207.07	388,207.07
<b>Total Accounts Receivable</b>	388,207.07	388,207.07
<b>Other Current Assets</b>		
13001 · Investments - Endow Iowa	52,250.90	52,250.90
17010 · Prepaid Insurance	1,322.96	1,322.96
<b>Total Other Current Assets</b>	53,573.86	53,573.86
<b>Total Current Assets</b>	644,484.95	643,591.66
<b>TOTAL ASSETS</b>	<b>644,484.95</b>	<b>643,591.66</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Other Current Liabilities</b>		
21000 · Accrued Expenses	1,798,117.64	1,848,117.64
24000 · Payroll Liabilities		
24001 · Federal Taxes (941)	1,876.38	158.88
24002 · Iowa Withholding Tax	358.36	19.88
24003 · Iowa Unemployment Tax	85.38	10.38
<b>Total 24000 · Payroll Liabilities</b>	2,320.12	189.14
25015 · Line of Credit	294,904.55	294,904.55
<b>Total Other Current Liabilities</b>	2,095,342.31	2,143,211.33
<b>Total Current Liabilities</b>	2,095,342.31	2,143,211.33
<b>Total Liabilities</b>	2,095,342.31	2,143,211.33
<b>Equity</b>		
31000 · Net Assets with Donor Restrict.		
31001 · Endow Iowa	52,250.90	52,250.90
31002 · Karras Kaul Sculpture (Ragbrai)	3,853.38	3,853.38
31003 · Park Improvement/Fleur Trail	-2,470,789.99	-2,470,789.99
<b>Total 31000 · Net Assets with Donor Restrict.</b>	-2,414,685.71	-2,414,685.71
32000 · Net Assets w/o Donor Restrict.	866,742.33	866,742.33
Net Income	97,086.02	48,323.71
<b>Total Equity</b>	-1,450,857.36	-1,499,619.67
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>644,484.95</b>	<b>643,591.66</b>

**Des Moines Water Works Park Foundation  
Statement of Financial Activity by Class**

September 2024

	100-Administrative	300-User Committee	400-Development Committee	500-Marketing Committee	600-Capital Campaign	TOTAL
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
40000 · Gifts	0.00	0.00	515.00	0.00	0.00	515.00
40025 · Gifts - Foundations	0.00	0.00	100,000.00	0.00	0.00	100,000.00
42025 · Fee Income	0.00	11,418.14	0.00	0.00	0.00	11,418.14
<b>Total Income</b>	0.00	11,418.14	100,515.00	0.00	0.00	111,933.14
<b>Expense</b>						
60000 · Accounting Services	1,460.00	0.00	0.00	0.00	0.00	1,460.00
60070 · Bank Charges	8.00	0.00	49.17	0.00	0.00	57.17
60100 · Building Maintenance	0.00	0.00	0.00	0.00	12,256.93	12,256.93
60170 · Consulting Services	19,614.41	0.00	0.00	0.00	0.00	19,614.41
61345 · Entertainment	0.00	1,750.00	0.00	0.00	0.00	1,750.00
61350 · Food Expense	278.87	0.00	0.00	0.00	0.00	278.87
61400 · Insurance Expense	880.00	0.00	0.00	0.00	0.00	880.00
61410 · Interest Expense	0.00	0.00	0.00	0.00	2,158.53	2,158.53
61470 · Marketing Expense	0.00	0.00	0.00	304.95	0.00	304.95
61530 · Office Equipment	747.93	0.00	0.00	0.00	0.00	747.93
61730 · Software Expense	34.02	0.00	79.49	0.00	0.00	113.51
61740 · Special Event Expense	0.00	10,421.80	0.00	0.00	0.00	10,421.80
61810 · Utilities	0.00	1,728.36	0.00	0.00	0.00	1,728.36
61830 · Website Maintenance	0.00	0.00	0.00	3,250.00	0.00	3,250.00
61900 · Wages	7,500.00	0.00	0.00	0.00	0.00	7,500.00
61910 · Payroll Tax Expense	648.75	0.00	0.00	0.00	0.00	648.75
<b>Total Expense</b>	31,171.98	13,900.16	128.66	3,554.95	14,415.46	63,171.21
<b>Net Ordinary Income</b>	-31,171.98	-2,482.02	100,386.34	-3,554.95	-14,415.46	48,761.93
<b>Other Income/Expense</b>						
<b>Other Income</b>						
44000 · Interest Income on Investments	0.38	0.00	0.00	0.00	0.00	0.38
<b>Total Other Income</b>	0.38	0.00	0.00	0.00	0.00	0.38
<b>Net Other Income</b>	0.38	0.00	0.00	0.00	0.00	0.38
<b>Net Income</b>	<b>-31,171.60</b>	<b>-2,482.02</b>	<b>100,386.34</b>	<b>-3,554.95</b>	<b>-14,415.46</b>	<b>48,762.31</b>

**Des Moines Water Works Park Foundation**  
**Statement of Financial Activity by Class**  
January through September 2024

	100-Administrative	300-User Committee	400-Development Committee	500-Marketing Committee	600-Capital Campaign	TOTAL
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
40000 · Gifts	0.00	0.00	7,310.94	0.00	0.00	7,310.94
40025 · Gifts - Foundations	0.00	0.00	100,000.00	0.00	0.00	100,000.00
42000 · Program Income	0.00	0.00	30,190.00	0.00	0.00	30,190.00
42021 · Contract Income	0.00	23,767.24	4,930.56	0.00	0.00	28,697.80
42025 · Fee Income	0.00	38,121.03	2,500.00	0.00	0.00	40,621.03
42030 · Membership Income	0.00	0.00	5,315.00	0.00	0.00	5,315.00
43000 · Fundraising Income	0.00	0.00	515.74	0.00	0.00	515.74
43010 · Special Event Income	0.00	158,993.20	5,950.00	0.00	0.00	164,943.20
<b>Total Income</b>	<b>0.00</b>	<b>220,881.47</b>	<b>156,712.24</b>	<b>0.00</b>	<b>0.00</b>	<b>377,593.71</b>
<b>Expense</b>						
60000 · Accounting Services	6,553.05	0.00	0.00	0.00	0.00	6,553.05
60070 · Bank Charges	176.85	0.00	393.34	0.00	0.00	570.19
60100 · Building Maintenance	0.00	0.00	0.00	0.00	12,256.93	12,256.93
60120 · Building Repairs	0.00	3,510.00	0.00	0.00	0.00	3,510.00
60170 · Consulting Services	111,227.29	0.00	0.00	0.00	0.00	111,227.29
60180 · Contract Labor	0.00	0.00	325.00	0.00	0.00	325.00
61220 · Donor Cultivation Events	0.00	0.00	28.66	0.00	0.00	28.66
61230 · Donor Relations Outreach	0.00	0.00	39.23	0.00	0.00	39.23
61345 · Entertainment	0.00	7,750.00	0.00	0.00	0.00	7,750.00
61350 · Food Expense	425.12	0.00	0.00	0.00	0.00	425.12
61390 · Information Technology Services	397.50	0.00	0.00	1,275.00	0.00	1,672.50
61400 · Insurance Expense	5,063.00	0.00	0.00	0.00	0.00	5,063.00
61410 · Interest Expense	0.00	0.00	0.00	0.00	20,760.56	20,760.56
61470 · Marketing Expense	0.00	350.00	0.00	2,439.60	0.00	2,789.60
61530 · Office Equipment	747.93	0.00	0.00	0.00	0.00	747.93
61540 · Office Supplies	42.17	0.00	0.00	0.00	0.00	42.17
61590 · Printing Expense	0.00	540.00	216.00	2,690.00	0.00	3,446.00
61690 · Rent Expense	650.00	1,199.16	0.00	0.00	0.00	1,849.16
61730 · Software Expense	445.13	486.73	635.92	344.82	0.00	1,912.60
61740 · Special Event Expense	0.00	66,621.74	3,070.90	0.00	0.00	69,692.64
61752 · Supplies Expense	0.00	0.00	2,325.00	0.00	0.00	2,325.00
61760 · Telephone Expense	100.00	0.00	0.00	0.00	0.00	100.00
61810 · Utilities	0.00	7,759.01	0.00	0.00	0.00	7,759.01
61830 · Website Maintenance	0.00	0.00	0.00	10,390.00	0.00	10,390.00
61900 · Wages	8,538.46	0.00	0.00	0.00	0.00	8,538.46
61910 · Payroll Tax Expense	738.57	0.00	0.00	0.00	0.00	738.57
<b>Total Expense</b>	<b>135,105.07</b>	<b>88,216.64</b>	<b>7,034.05</b>	<b>17,139.42</b>	<b>33,017.49</b>	<b>280,512.67</b>
<b>Net Ordinary Income</b>	<b>-135,105.07</b>	<b>132,664.83</b>	<b>149,678.19</b>	<b>-17,139.42</b>	<b>-33,017.49</b>	<b>97,081.04</b>
<b>Other Income/Expense</b>						
<b>Other Income</b>						
44000 · Interest Income on Investments	4.98	0.00	0.00	0.00	0.00	4.98
<b>Total Other Income</b>	<b>4.98</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.98</b>
<b>Net Other Income</b>	<b>4.98</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.98</b>
<b>Net Income</b>	<b>-135,100.09</b>	<b>132,664.83</b>	<b>149,678.19</b>	<b>-17,139.42</b>	<b>-33,017.49</b>	<b>97,086.02</b>

2024	Date	Event
February	24	Coldest Night of the Year 5k
April	6-7	Iowa Coursing Hounds
	13-14	Coursing Hounds of Iowa
	20	Private Shelter rental
	20	Yoga event at Maffitt
	20	Earth Day Eggstravaganza
	25	Plant Tour
	27	Karen of Iowa Soccer
	28	Private Shelter rental
	29	Plant Tour
May	1	Plant Tour
	4-5	Women's Marathon
	4	Private Gazebo Rental
	5	Possible Cinco De Mayo event CANCELLED
	7	Private Shelter rental - CANCELLED
	8	Plant tour
	11	Race for Hope
	11	Cake Concert
	16	*Des Moines Performing Arts Concert
	16	Private Shelter rental
	18	The Cares Foundation race
	23	Plant tour
	23	Plant tour
	25-26	Karen Community soccer - RESCHEDULING
	25	Private Shelter rental - CANCELLED
	26	Private Shelter rental - CANCELLED
	25	Willie Nelson & Family Concert
	31-June 2	Lowdown Car Show
June	1	Iowa Craft Brew Festival
	2	School of Rock recital
	6	*Zenith Chamber Music Festival
	7	Wedding at globes
	8	Wedding fountain
	9	*Ballet Des Moines
	9	IRONMAN
	11	Robert Plant & Alison Krauss with JD McPherson
	11	Private Shelter Rental
	12	Plant Tour
	13	Jon Pardi with Carter Faith
	15-16	Iowa Coursing Hounds
	15	*Peoples Pride Event
	21	REO Speedwagon with Night Ranger
	22	A+B Bike Marathon
	22-23	Mizo Society Soccer
	22	Wedding Fountain
	23	Neighborhood Association Appreciation
	28-30	Karenni Community of DSM Soccer
	29	Private Shelter Rental

2024	Date	Event
July	3	Private Shelter Rental
	6	Private Shelter Rental
	7	*Music Under the Stars
	9	*Gay Men's Chior
	11	Brantley Gilbert Concert
	12&13	80/35 Music Festival
	14	Ludacris concert
	16	Private Shelter Rental
	20	Beaverdale Fesitval at Tower
	20/21	Karen Community Soccer rescheduled
	20	Cultural Event - amphitheater
	20	Biergarten private event
	20	Biergarten Christmas in July
	21	Ukrainian Peace Walk
	22	Hy-Vee filming Maffitt Park
	25	Plant Tour
	27	Biergarten private event
August	1	Wedding fountain
	1	Biergarten private event
	2-4	DSM Criterium Bike Race
	10	DSM Criterium Bike Race
	16	Barbie Movie
	17-18	Iowa Choreography reciptal
	18	Private Shelter Rental
	23	Jamey Johnson with Whitey Morgan & 78's
	25	Peddle for the Pantry
	31	Tandem Bike Ride biergarten
September	31-Sept 1	Karen of Iowa Soccer
	29-Sep-01	*DM Symphony
	7	Walk with me race
	7	Wedding fountain
	8	Biergarten private event
	8	Private Shelter Rental
	12	Private Shelter Rental
	14	Democrat Steak Fry
	15	Hy-Vee marathon
	19	Lead DSM
	21	KnotFest
	25	*Bread & Puppet
	27&29	Oktoberfest
	27-28	Ikes Outdoor Expo
	29	Private Gazebo rental
October	6	Blazing 5K Race
	12-13	Bike Race
	20	IMT Des Moines Marathon
November	2-3	Coursing Hounds of Iowa

\*Part of the Foundation's Free Cultural Series

KEY
Sport/Fitness Event
DMWWPF Event
Wedding/shelter
Misc. (car shows, political events, festivals)

Biergarten every Wednesday-Sunday at amphitheater  
Bands, Bikes, Brews (Sundays) - small concerts at Biergarten

# 2024 Strategic Plan Third Quarter Update

## Employee Experience

### FOCUS AREA: EMPLOYEE HEALTH AND SAFETY

**KPI 1:** Collect at least 200 safety-related leading indicators

Employees have completed 155 safety leading indicator. This includes static inspections, jobsite observations and near-misses.

### FOCUS AREA: RECRUITMENT

**KPI 2:** Fill 80% of open positions within 60 days of posting



<b>Total Percentage of Positions Filled Within 60 Days-QTD</b>	<b>67%</b>
<b>Total Percentage of Positions Filled Within 60 Days-YTD</b>	<b>82%</b>

## Customer Experience

### FOCUS AREA: LEAD SERVICE LINE INITIATIVE

**KPI 3:** Complete LSL inventory by October 2024 with 20% or less “unknown” service line materials

Our service line inventory was completed and submitted to IDNR by the October 16, 2024 deadline. The overall inventory included 94,724 service lines. The initial data included less than 1% of known materials. With the help of our consultant, BlueConduit, we were able to reduce the unknowns to 47,285 service lines. This equates to 50% unknown service line materials. We will continue to work with BlueConduit on additional potholing and predictive modeling work to further reduce the number of unknown service line materials. While we are confident we will be able to get down to our goal of 20% unknown service line materials in the future, it was a bit too big of a stretch goal to be there by October 2024.

## FOCUS AREA: ESTIMATED BILLINGS

**KPI 4:** Reduce the number of customers relying on estimated billings to 2.5%

All areas of Customer Service have a role in aggressively reducing estimated billings, while managing workload and available inventory. Estimated billings have been reduced from 11,156 accounts (12.1%) at the start of 2024 to 6,402 accounts (6.9%) at the end of Q3. We have installed 6,700 Meter Transmitting Units (MTUs) so far in 2024; however, failure rate of MTUs is outpacing repairs.

## FOCUS AREA: RATE STRUCTURE AND AFFORDABILITY STUDY

**KPI 5:** Propose a strategy for a customer assistance program to city partners by the end of Q3 2024

DMWW staff met with City of Des Moines Mayor Boesen in Q1 to discuss the 2023 Affordability Study, customer assistance programs and opportunities to partner with DMWW to assist our shared low-income customers. A follow-up letter was sent summarizing the discussion and options for partnering. We have not yet heard back from Mayor Boesen or city staff.

# Leadership & Advocacy

## FOCUS AREA: INDUSTRY LEADERSHIP & ADVOCACY

**KPI 6:** Increase awareness and recognition of DMWW efforts regionally and/or nationally by participating in at least 10 opportunities in 2024 including conference presentations, white papers, or articles

Through October, Des Moines Water Works has worked at the regional, state and national levels to increase visibility for lead water service line replacement in the form of legislation at both levels, a press conference, coalition-building with other state utilities and water departments, and continued outreach on the topic through public presentations. We participated in three events at the Statehouse to engage with lawmakers and hosted lawmakers and candidates in an annual legislative visit and tour at DMWW. DMWW received the Gold Award for Utility Excellence from the Association of Municipal Water Agencies.

# Stewardship

## FOCUS AREA: CAPITAL REINVESTMENT

**KPI 7:** Obligate 90% of CIP dollars budgeted in 2024

The 2024-Q3 KPI is now at 69%, which is a very positive indication of capital project progress. It should be noted that this metric is aided by almost \$14 million of carryover obligations from 2023. Q1 of 2024 saw contract awards and other additional capital spending that approached \$20 million. Q2 of 2024 has seen nearly \$7.8 million in additional contract awards and obligation of capital funds. Q3 of 2024 has seen a little over \$4 million in additional contract awards and obligation of capital funds. Design efforts remain in progress for numerous other capital projects with bid and award steps targeted for the last half of 2024. An additional \$14 million in contract awards is needed in the last quarter to meet the final metric.

**KPI 8:** Design and bid four water main replacement contracts with an average value of \$1.5M or greater

At the conclusion of 2024-Q3, via five discrete contracts, more than \$10 million in WMR contracts have been awarded. Each contract targets high priority sections and elements of the water distribution system as defined by Water Distribution and Engineering personnel. While this metric has been met for 2024, design efforts are underway for numerous additional water main projects that should see bid and award steps in 2024 and early 2025. Such efforts ensure ample work is flowing toward construction and commissioning phases within the broader water main replacement program.

#### FOCUS AREA: MAINTENANCE

**KPI 9:** Develop a deferred maintenance and equipment replacement program for MWTP by the end of 2024

The age and maintenance of exiting equipment has been gathered and reviewed. We've compared age of existing equipment with typical lifespans and developed a list of equipment which needs either replacement or major maintenance work. Next, we'll generate a priority list of equipment in need or work and assemble a recommended schedule.

**KPI 10:** Develop a five-year building maintenance program by end of Q2 2024

A 5-year facility maintenance program has been developed and was used during the 2025 budget process. The plan calls for \$250k-\$300k to be invested in building upgrades and renewals each of the next five years. The plan is a "living document" and will be updated as needs and priorities change.

## IDEA (Inclusion, Diversity, Equity, Accessibility)

#### FOCUS AREA: IDEA

**KPI 11:** Finalize the five-year plan with a consultant partner by end of Q2 2024

DMWW has completed its work with Schabel Solutions and received deliverables in the areas of workplace, workforce and marketplaces, along with a final report. Based on discussions with the consultant, it was determined an eight-year timeline would be more effective in implementing some of the recommendations. DMWW has developed an internal and external communications plan – the latter of which will include a new IDEA lens in which to view external communications messaging.

#### FOCUS AREA: BUILD CONFIDENCE IN TAP WATER

**KPI 12:** Elevate access and build awareness of Des Moines Water Works and the value of tap water through implementation of a coordinated marketing campaign and identification of six (6) bottle filling stations in public locations.

Des Moines Water Works has published "Value of Tap" information in 5/6 newsletters and has launched a branding campaign: "Clean water made fresh daily" to develop awareness of DMWW and encourage drinking of tap water. We've been involved with the installation of 11 bottle filling stations.

**MEMORANDUM**

DATE: October 18, 2024  
TO: Ted Corrigan, CEO and General Manager  
Kyle Danley, COO  
FROM: Dylan White, Field Safety Specialist  
SUBJECT: Safety Memo

Injuries

7 (09/26/2024)

Accidents

20 (10 preventable)

Incidents

15 (3 gas line damage)

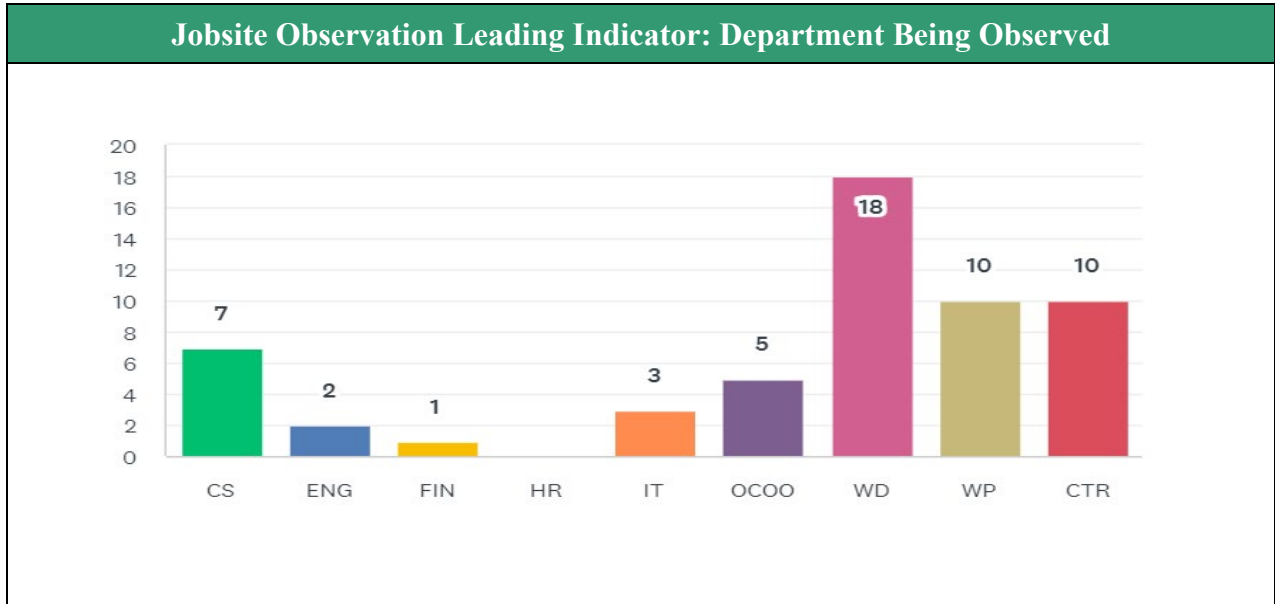
Leading Indicators

77 Near Misses

39 Static Inspections

39 Jobsite Observations

- Des Moines Water Works has restructured its Central Safety Team, shrinking it to seven members. Additionally, the team is field-focused and initially targets improvements from a Level 1 evaluation perspective.
- Level 1 assesses initial reactions to ensure participant engagement, while Level 5 evaluates financial impact on the organization. Although both levels offer valuable insights, progressing toward a Level 5 evaluation will provide a deeper cost-benefit analysis.



## Des Moines Water Works Community Outreach Update late September/October 2024

### Recent Outreach Events:

- Sept. 25:** EPA visit to DMWW – Acting Assistant Administrator Bruno Pigott toured our Fleur Drive Treatment Plant and learned about water quality issues, as well as our Central Iowa Cover Crop Seeder Program partnership with IDALS, Polk County, the City of Des Moines, and Heartland Coop.
- Oct. 10:** William G. Stowe Citizen Water Academy began (four sessions over four weeks, concluding on Oct. 31)
- Oct. 17:** Conservation on Tap – About 20 people attended to discuss water quality, how DMWW removes and treats for nitrate in raw source waters, and the importance of in-field management of nutrients and treating water coming out of field tile lines.
- Oct. 21:** The Association of Metropolitan Water Agencies selected DMWW for its Gold Award for Exceptional Utility Management, as well as the Sustaining Member Award at the annual AMWA Executive Management Conference.

### Upcoming Events:

- Nov. 14:** DMWW will be at the Salisbury Oaks Neighborhood Association meeting to discuss lead service lines.
- Nov. 26:** Des Moines Water Works will be at the River Woods Neighborhood Association meeting to discuss lead service lines.



Project Title	Contractor	Original Agreement	Revised Contract Sum	Completed to Date	Percent Completed	Notice to Proceed
<a href="#">3035 - FDTP Closed Loop Cooling</a>	Waldinger	1,458,216.00	1,547,782.00	1,444,252.09	93.31%	10/30/2023
<a href="#">3037 - Grounds Maintenance Facility</a>	Henkel	3,780,900.00	4,022,008.13	3,317,747.67	82.49%	10/2/2023
<a href="#">3131 - IDOT-Hickman Feeder Main</a>	J & K Contracting	1,234,567.00	1,234,567.00	664,173.33	53.80%	12/27/2023
<a href="#">3057 - 2023 MWTP Chemical Feed Imp</a>	WRH Inc.	1,225,000.00	1,320,983.59	738,532.10	55.91%	12/27/2023
<a href="#">3186 - FWTP Pump Station HVAC</a>	Corn States	1,047,000.00	1,083,107.80	445,273.36	41.11%	1/15/2024
<a href="#">3157 - Filter Media Replacement</a>	Hydro-Klean	990,595.00	990,595.00	529,503.22	53.45%	1/19/2024
<a href="#">3220 - 2023 DM WMR - Contract 4</a>	Rognes Corp.	1,844,549.00	1,884,600.00	1,186,909.10	62.98%	1/24/2024
<a href="#">3230 - 2023 FWTP Dist Building Improvements</a>	Woodruff	97,327.00	141,075.00	134,021.25	95.00%	1/29/2024
<a href="#">3219 - 2023 DM WMR - Contract 3</a>	J&K Contracting	2,440,000.00	2,456,659.50	2,162,302.45	88.02%	3/8/2024
<a href="#">3040 - SWTP West Feeder Main - P3</a>	SJ Louis	11,106,561.50	10,963,193.33	3,255,630.64	29.70%	3/11/2024
<a href="#">3218 - 2023 DM WMR - Contract 2</a>	On Track	3,469,719.00	3,422,188.10	1,592,838.48	46.54%	3/21/2024
<a href="#">3050 - 5 kV Relays</a>	Qualus	132,450.00	132,450.00	50,331.00	38.00%	3/27/2024
<a href="#">3267 - 2023 DM WMR - Contract 6</a>	MPS Engineers	749,239.00	749,239.00	26,109.80	3.48%	6/26/2024
<a href="#">3038 - ASR BP1</a>	Layne Christensen	5,092,345.00	5,092,345.00	0.00	0.00%	7/2/2024
<a href="#">3050 - 5 kV Controls</a>	Rovisys	403,548.00	403,548.00	20,177.40	5.00%	7/15/2024
<a href="#">3284 - 2024 DM WMR - Contract 3 - Indy</a>	J&K Contracting	359,275.00	359,275.00	122,265.00	34.03%	8/9/2024
<a href="#">3016- 2024 SEC PH Meter Pit</a>	On Track	130,500.00	130,500.00	0.00	0.00%	10/2/2024
<a href="#">3221 - 2023 DM WMR Contract 5</a>	On Track	2,425,522.00	2,425,522.00	0.00	0.00%	10/8/2024
<a href="#">3348 - 2024 Polk County Contract 2</a>	On Track	244,470.00	244,470.00	0.00	0.00%	10/8/2024
<a href="#">3303 - 2024 - Mult Struct - Roof Rp</a>	Academy Roofing	136,985.00	136,985.00	0.00	0.00%	10/22/2024

Notice to Proceed	Project Title	Consultant	DMWW Contact	Original Agreement	Revised Contract Sum	Completed to Date	Percent Completed
9/27/2022	<a href="#">Polk City Design</a>	IMEG	Staley	23,710.00	23,710.00	20,198.90	85.19%
5/6/2021	<a href="#">LP Moon</a>	Stanley	Rash	32,270.00	38,970.00	38,544.90	98.91%
12/29/2022	<a href="#">CADD</a>	Kirkham Michael	Mouw	20,000.00	40,000.00	18,210.00	45.53%
6/17/2022	<a href="#">3020 - East Court</a>	Shive Hattery	Mouw	90,500.00	112,500.00	91,944.50	81.73%
4/28/2022	<a href="#">3027 - WH 73rd St</a>	Bolton and Menk	Schumacher	30,000.00	30,000.00	29,873.50	99.58%
1/19/2021	<a href="#">3032 - Hydraulic Modeling</a>	Innovyze	Andrew/Zach	60,000.00	60,000.00	57,750.00	96.25%
1/29/2024	<a href="#">3034 - FWTP Levee Study</a>	Barr Engineering	Danley	85,000.00	85,000.00	68,268.15	80.32%
3/1/2023	<a href="#">3035 - Closed Loop Cooling Design</a>	IMEG	Wanderscheid	47,300.00	73,700.00	67,260.00	91.26%
8/9/2024	<a href="#">3036 - Invision Elevator</a>	Invision	Staley	6,000.00	6,000.00	1,800.00	30.00%
6/30/2022	<a href="#">3037 - Bishop ENG Grounds Shop</a>	Bishop	Staley	7,000.00	7,000.00	8,000.00	114.29%
6/30/2022	<a href="#">3037 - Grounds Shop - SVPA</a>	SVPA	Staley	118,280.00	134,390.00	134,812.13	100.31%
11/9/2023	<a href="#">3037 - Grounds Shop - Construct Testing</a>	Allender Butzke	Staley	14,000.00	14,000.00	20,607.29	147.19%
11/9/2023	<a href="#">3037 - Grounds Shop - Construction</a>	Snyder & Associates	Staley	111,322.00	111,322.00	62,516.42	56.16%
3/14/2023	<a href="#">3038-ASR Well-Design</a>	Fox Strand	Ayres	909,400.00	909,400.00	728,161.51	80.07%
11/22/2022	<a href="#">3040 - SWTP Transmission Improvements</a>	Snyder & Associates	Mouw	1,078,400.00	1,252,123.00	1,010,564.34	80.71%
6/6/2023	<a href="#">3041 - Maffitt East Feed Control Valve</a>	Allender Butzke	Ayres	16,231.14	16,231.14	6,611.92	40.74%
6/7/2023	<a href="#">3041 - Maffitt East Feed Control Valve</a>	Stanley	Ayres	40,000.00	40,000.00	16,423.39	41.06%
1/24/2024	<a href="#">3048 - SCADA Master Plan</a>	HDR Engineering	Wanderscheid	416,911.00	416,911.00	141,860.34	34.03%
6/28/2023	<a href="#">3050 - 5 KV - Design</a>	KFI	Wanderscheid	119,000.00	119,000.00	92,330.32	77.59%
2/22/2024	<a href="#">3055 - Control Room Remodel</a>	SEH	Wanderscheid	10,600.00	10,600.00	10,468.78	98.76%
2/8/2023	<a href="#">3057 - MWTP Chem Feed Improvements</a>	McClure	Wanderscheid	106,670.00	109,470.00	108,454.33	99.07%
10/12/2023	<a href="#">3057 - MWTP Chem Feed Improvements</a>	Allender Butzke	Wanderscheid	10,870.00	10,870.00	1,740.70	16.01%
1/6/2023	<a href="#">3060 - SWTP Capacity Expansion</a>	HDR Engineering	Wanderscheid	12,999,057.00	13,935,608.00	1,236,897.84	8.88%
12/22/2023	<a href="#">3060 - UF Pilot Testing</a>	HARN	Wanderscheid	99,750.00	99,750.00	72,500.00	72.68%
1/29/2024	<a href="#">3060 -UF Pilot Testing</a>	Aqua-Areobics	Wanderscheid	63,200.00	63,200.00	34,200.00	54.11%
2/25/2021	<a href="#">3080 - Hamilton Drain</a>	Kirkham Michael	Mouw	20,000.00	20,000.00	14,927.50	74.64%
1/24/2023	<a href="#">3131 - Hickman Feeder Main</a>	Snyder & Associates	Schumacher	82,700.00	82,700.00	66,580.43	80.51%
6/29/2023	<a href="#">3157-FDWTP Pilot Study</a>	CDM	Ayres	333,900.00	333,900.00	189,014.97	56.61%
7/14/2023	<a href="#">3157-FDWTP Filter Media Replacement</a>	CDM	Ayres	90,600.00	90,600.00	52,691.47	58.16%
11/4/2022	<a href="#">3166 - Market Street (Vine St)</a>	ISG	Mouw	21,600.00	21,600.00	21,053.75	97.47%
11/24/2021	<a href="#">3170 - 2nd Avenue Improvement</a>	Bolton and Menk	Zach	39,510.00	46,010.00	45,676.50	99.28%
3/1/2023	<a href="#">3178 - City of DSM - McKinley</a>	HR Green	Zach	70,500.00	70,500.00	60,453.00	85.75%
8/31/2023	<a href="#">3185 -MWTP Truck Scale</a>	Allender Butzke	Wanderscheid	10,120.18	10,120.18	8,554.00	84.52%
12/29/2022	<a href="#">3186 - PS HVAC</a>	IMEG	Wanderscheid	31,700.00	84,700.00	78,595.00	92.79%
11/14/2023	<a href="#">3186 -PS HVAC Testing</a>	Team Services	Wanderscheid	720.00	720.00	214.10	29.74%
5/1/2023	<a href="#">3218 - 2023 WMR Contract 2 - Design</a>	HNTB	Zach	203,270.00	219,730.00	217,305.47	98.90%
6/13/2023	<a href="#">3220 - 2023 WMR Contract 4 - Survey</a>	Snyder & Associates	Haidsiak	26,623.50	26,623.50	22,056.24	82.85%
6/29/2023	<a href="#">3220 - 2023 WMR Contract 4 - Design</a>	Snyder & Associates	Haidsiak	125,800.00	125,800.00	116,172.22	92.35%
11/30/2023	<a href="#">3221 - 2023 WMR Contract 5 - Design</a>	Snyder & Associates	Schumacher	98,300.00	98,300.00	78,814.37	80.18%
11/30/2023	<a href="#">3221 - 2023 WMR Contract 5 Survey</a>	Snyder & Associates	Schumacher	33,497.00	33,497.00	26,891.20	80.28%
5/31/2023	<a href="#">3230 - Distribution Bldg - Assessment</a>	WJE	Staley	47,000.00	78,000.00	76,192.50	97.68%
5/29/2024	<a href="#">3230 - Distribution Bldg - Remodel</a>	Allender Butzke	Staley	4,600.00	4,600.00	0.00	0.00%
2/1/2024	<a href="#">3230 - Distribution Bldg - Remodel</a>	SVPA	Staley	189,560.00	189,560.00	128,065.24	67.56%
1/24/2024	<a href="#">3300 - 2024 Northeast Booster Station</a>	V&K	Wanderscheid	248,700.00	248,700.00	110,831.61	44.56%
11/17/2023	<a href="#">3303 - 2024 DMWW Roof Repairs</a>	Benchmark, Inc.	Staley	44,100.00	44,100.00	0.00	0.00%
1/24/2024	<a href="#">Wilchinski Stanpipe Surveying Services</a>	Snyder & Associates	Ayres	3,000.00	3,000.00	712.25	23.74%
3/29/2024	<a href="#">3219 - Terracon - VOC Monitoring</a>	Terracon	Zach	23,750.00	23,750.00	22,473.75	94.63%
6/7/2024	<a href="#">3359 - Tenny Standpipe Driveway</a>	McClure	Wanderscheid/Danley	11,400.00	11,400.00	10,870.00	95.35%
6/21/2024	<a href="#">3362 - CDM - LSLR PER</a>	CDM Smith	Zach	96,900.00	96,900.00	72,992.50	75.33%
7/23/2024	<a href="#">Wilchinski Ladder Mods</a>	McClure	Staley	4,850.00	4,850.00	0.00	0.00%
8/20/2024	<a href="#">3378 - Snyder - NE Loop Survey</a>	Snyder & Associates	Zach	23,075.00	23,075.00	4,621.65	20.03%
9/10/2024	<a href="#">3056 -FDTP - Lab Roof &amp; HVAC Replacement</a>	IMEG	Wanderscheid	79,000.00	79,000.00	0.00	0.00%