

An Important Message for Unincorporated Polk County Customers

Des Moines Water Works' Mission

Des Moines Water Works' (DMWW) mission is to “protect public health by delivering outstanding quality water in reliable quantities.” DMWW’s most important role in the community is to provide safe drinking water *whenever* and *wherever* our customers need it, and we consider it a privilege to serve our customers with a quality and reliable water supply. Our ability to fulfill our mission requires thoughtful planning and a continual evaluation of the performance of the water system in each of our service areas.

Background of Relationship between Unincorporated Polk County and Des Moines Water Works

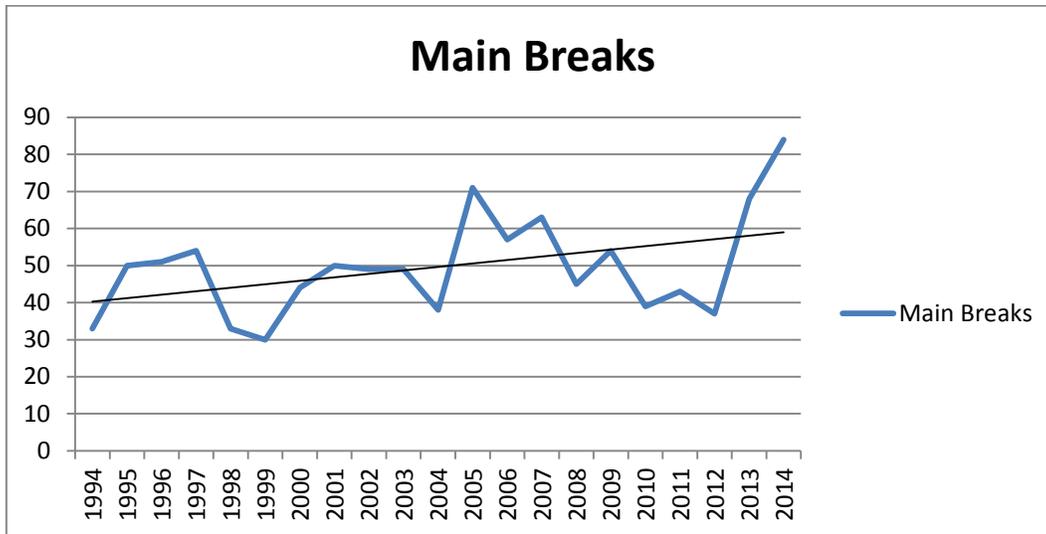
Des Moines Water Works has been responsible for the operation and maintenance of the water system in unincorporated Polk County since 1987. Many smaller, independent water districts in this service area dissolved around this time, and the Polk County Board of Supervisors contracted with Des Moines Water Works in 1987 to provide full water service to Polk County customers, including providing drinking water, maintaining and operating the distribution system, and performing meter reading, billing and collecting activities. Several years later, in 2006, Des Moines Water Works acquired the water system previously known as Southeast Polk Rural Water District. DMWW has been, and continues to be today, pleased to serve unincorporated Polk County water customers.

Rate Setting Process

DMWW establishes water rates based on the cost to serve specific service areas. In order to determine the cost to serve each service area or set of customers, the utility completes a Cost of Service study annually. This study reviews costs for each service area or subset of customers in a one-year period in order to estimate the revenue required to fund future operating expenses and capital replacements. This study is based on a cost methodology developed by the American Water Works Association and is widely accepted and used in the water industry.

Water System Needs

The results of the most recent Cost of Service study indicate that the water system in unincorporated Polk County service area has capital needs which are not being met through current rates and charges. The number and type of main breaks are a “health indicator” of a system, and the Polk County distribution system does not get a “clean bill of health.” An increasing trend in the number of main breaks in this service area over the last 20 years, illustrated by the black upward trend line in the chart below, underscores that the system is aged and deteriorating.



Main breaks are not only costly to repair, but they are also an inconvenience to customers who value a reliable water supply.

In addition, there is additional demand for water in growing parts of the territory. The existing system is undersized in areas and is not able to accommodate the additional demand without expanding capacity of the system in these areas.

2015 Capital Improvement Fee

In order to adequately fund these critical needs related to a deteriorating infrastructure and growing demand for additional capacity, customers will notice an additional charge on their monthly water bills. A capital improvement fee of \$1.50 per thousand gallons will be charged to customers in the unincorporated Polk County service area effective April 1, 2015. An average customer who uses 5,000 gallons per month will see an increase in their monthly water bill of approximately \$7.50 for this capital improvement fee. In addition to the introduction of this capital improvement fee, water rates will increase from \$6.25 to \$6.69 per thousand gallons effective April 1.

Impact to System

The revenue collected through the capital improvement rate is estimated at \$1,000,000 annually. This money will be directed solely to capital improvement projects benefiting unincorporated Polk County customers. DMWW has developed a 5-year plan for improvements funded by the capital improvement fee. The 2015 capital projects include the following:

Location of Capital Improvement	Reason for improvement
SE 6 th Ave : SE 80 th Street to Hwy 316	Increase capacity to accommodate growth
Hwy 316: SE 6 th Ave to SE Miller Dr.	Increase capacity to accommodate growth
NE 3 rd : NE 45 th Pl. to NE 46 th Ave.	High number of main breaks; increase capacity; improve fire protection
NE 45 th Pl: NE 3 rd to NE 7 th	High number of main breaks; increase capacity; improve fire protection
NE 7 th :– NE 45 th Pl to NE 46 Ave.	High number of main breaks; increase capacity; improve fire protection