

**CALLED MEETING OF THE BOARD OF WATER WORKS TRUSTEES
HELD AT THE OFFICE OF THE DES MOINES WATER WORKS
PURSUANT TO NOTICE, TUESDAY,
March 28, 2017**

Present: Chairperson Leslie A. Gearhart, presiding; Mr. Graham R. Gillette, Mr. David A. Carlson, and Mr. Marc R. Wallace. Staff members attending were: Pat Bruner, Ted Corrigan, Peggy Freese, Doug Garnett, Amy Kahler, Webster Kranto, Dan Klopfer, Mike McCurnin, Laura Sarcone, and Bill Stowe. Also in attendance Rick Malm, legal counsel, Adam Mason, from the public.

Ms. Gearhart called the meeting to order at 3:31 p.m.

Consent Agenda – A motion was made by Mr. Gillette, seconded by Mr. Wallace, to approve Consent Items A, B, C, D, and E (approval of the Minutes, February 28, 2017, Board of Water Works Trustees meeting; Minutes, March 7, 2017, Board of Water Works Trustees meeting; Minutes, March 14, 2017, Finance and Audit Committee meeting; Minutes, March 21, 2017, Board of Water Works Trustees Meeting; Filing of the financial statements for audit purposes; Approval of payments for February 2017; Summary of CEO-Approved Expenditures in Excess of \$20,000; and approval of April 25, 2017, as the next meeting of the Board of Water Works Trustees). Mr. Stowe brought the Board's attention to a payment listed in the financial statements: Des Moines Water Works' annual contribution payment of \$50,000 to the Greater Des Moines Partnership. Mr. Stowe thanked the Greater Des Moines Partnership for its assistance and support dealing with the House File 484 legislation. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

Public Comment Period – Mr. Adam Mason from Iowa Citizens of Community Improvement (ICCI) expressed his support of the Board and Des Moines Water Works staff. ICCI will continue to share the mission for clean water with Des Moines Water Works. Mr. Gillette expressed appreciation for the efforts of ICCI. Mr. Stowe thanked Mr. Mason, ICCI staff and state-wide members for constant resources and support.

2017 Water Treatment Chemicals- Lime – A motion was made by Mr. Gillette, seconded by Mr. Wallace, to approve Mississippi Lime Company as the 2017 lime supplier in the amount of \$2,100,900. Mr. Stowe noted staff had previously requested to pull out two chemicals in the annual water treatment chemical contracts for specific separate attention. After extensive analysis, the 2017 staff recommendation is to switch lime providers from Linwood Mining to Mississippi Lime, at the Fleur Drive and resulting in an award to Mississippi Lime for both the Fleur and McMullen Treatment Plants and a combined unit cost of \$149/ton. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

2017 Water Treatment Chemicals- Antiscalant Mr. Stowe noted that the second chemical pulled out for separate analysis and award was antiscalant at the Saylorville Water Treatment Plant. A motion was made by Mr. Gillette, seconded by Mr. Carlson, to approve Avista Technologies, Inc. as the 2017 antiscalant supplier. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

Approve Contract for Utility Billing System – Mr. Stowe noted this is a very important customer project, with extensive work by the Information Technology and Customer Service departments of the Des Moines Water Works. A motion was made by Mr. Wallace, seconded by Mr. Gillette, to authorize the CEO and General Manager to execute a contract with Advanced Utility Systems in the amount of \$3,299,264, for acquisition and implementation of CIS Infinity. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

Approve Contract for Field Service Automation System – Mr. Stowe noted this is the mobile solution for implementation with the previously awarded customer information system. A motion was made by Mr. Gillette, seconded by Mr. Carlson, to authorize the CEO and General Manager to execute a contract with Clevest Solutions, Inc., in the amount of \$334,478, for acquisition and implementation of Utility Mobile Workforce Management. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

Acceptance of 2015 Army Post Road Aquifer Storage and Recovery Well – Mr. Stowe provided details on this regional project in support of Microsoft Corporation, in cooperation with the City of West Des Moines and the West Des Moines Water Works. A motion was made by Mr. Carlson, seconded by Mr. Gillette, to accept the 2015 Army Post Road Aquifer Storage and Recovery Well, completed by Grosch Irrigation Company, Inc. dba Grosch Drilling Company, in the amount of \$1,922,432.45. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

Request Authorization to Solicit Bids for Nitrate Removal Facility Process Residuals Force Main and Establish the Date of the Public Hearing as the Date of the May 2017 Board Meeting – Mr. Stowe stated this important project will take the denitrification waste that is currently discharged pursuant to permit into the Raccoon River, and divert it to a pumping station and pipe system for delivery to the sanitary sewer, for treatment at Water Reclamation Authority in compliance with new permit requirements. The bid process will include options for the pipe to go under the Raccoon River or attached to the Martin Luther King Jr. bridge. A motion was made by Mr. Wallace, seconded by Mr. Gillette, to authorize staff to solicit bids for Nitrate Removal Facility Process Residuals Force Main and establish the date of the Public Hearing as the date of the May 2017 Board meeting, and direct staff to publish notice as provided by law. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

Request Authorization to Solicit Bids for Nitrate Removal Facility Process Residuals Pumping Station and Establish the Date of the Public Hearing as the Date of the April 2017 Board Meeting – Mr. Stowe noted this is the pumping station require to support the previously

approved force main project. A motion was made by Mr. Gillette, seconded by Mr. Wallace, to authorize staff to solicit bids for Nitrate Removal Facility Process Residuals Pumping Station and establish the date of the Public Hearing as the date of the April 2017 Board meeting, and direct staff to publish notice as provided by law. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

Request Authorization to Solicit Bids for 2017 Polk County Water System Improvements – Contract 1 and Establish the Date as the Public Hearing as the Date of the April 2017 Board Meeting – Mr. Stowe stated this request for Public Hearing is for the 2017 water system improvements within Polk County. The bidding process includes a base bid, plus alternative bids. A motion was made by Mr. Carlson, seconded by Mr. Gillette, to authorize staff to solicit bids for 2017 Polk County Water System Improvements – Contract 1 and establish the date of the Public Hearing as the date of the April 2017 Board meeting, and direct staff to publish notice as provided by law. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

2017 Des Moines Water System Improvements – Contract 2 – A Public Hearing was opened by Chairperson Gearhart for comments from the public regarding the 2107 Des Moines Water System Improvements – Contract 2. No oral or written public comments were received. The Public Hearing was closed. A motion was made by Mr. Wallace, and seconded by Mr. Gillette for adoption of the proposed form of contract, plans and specifications, and estimated cost. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion. Mr. Stowe reviewed the bids from the two responsive bidders. The engineer's estimate for the base contract bid was \$1,100,000. Staff is recommending an award to Rognes Corp. for the base bid only. A motion was made by Mr. Gillette, and seconded by Mr. Carlson to award the 2017 Des Moines Water System Improvements – Contract 2 to Rognes Corp, in the amount of \$1,233,518, and authorize the Chairperson and CEO and General Manager to execute the contract. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

Mr. Stowe commented on the extensive support and capital investment just approved by the Board for customer necessary information enhancements, water system improvements and chemical costs for water treatment.

Board Committee Reports –

The following reports were provided:

- Mr. Carlson noted the Planning Committee did not meet in March.
- Mr. Stowe noted the Finance and Audit Committee met on March 14, 2017, and reviewed a summary of workers' compensation matters and the capital improvement plan timeline.
- The Regionalization Review Committee has not yet met.
- Ms. Gearhart did not have a report on the Greater Des Moines Botanical Garden.
- Mr. Wallace reported on the Des Moines Water Works Park Foundation, noting donors were concerned about the impact of the proposed House File 484 legislation. Mr. Carlson reported there is \$6.5 million in pledges, with a total of \$7 million in requests pending. Donors are satisfied with and depending upon the existing structure of Des

Moines Water Works and relationships with staff. Mr. Stowe noted staff recently met with the Park Foundation, and discussed the outstanding 28E Agreement for Fleur Drive tunnel, being drafted by the City of Des Moines; as well as a project and agreement with Iowa Department of Natural Resources for a new boat ramp. Mr. Klopfer added that the consultant has completed their preliminary design and final cost estimates. The consultant is adjusting designs based on models of no-rise in a 100 year flood.

- Mr. Stowe provided a Legislative Update, noting staff is continuing to monitor and hold discussions to defeat House File 484. Mr. Stowe thanked staff for spending time at the Capitol. Mr. Stowe noted that the progress of legislative efforts on actual water quality initiative has been slow. Mr. Wallace also thanked staff for involvement in stopping House File 484. Mr. Stowe thanked AFSCME for support to this Board and the utility in opposition to House File 484.

CEO and General Manager's Comments –

- Mr. Stowe noted he discussed with Finance and Audit Committee Chair Ms. Huppert, and likely will not have the regularly-scheduled April 11, committee meeting, but may request a special meeting of the Board of Trustees on that date.

Ms. Gearhart noted the Contract Status Spreadsheet, February 2017 Lien Certification and Reversals, and Environmental Outreach Summary/Legislative Matrix materials in the Board's packet.

Adjournment – Adjourn by unanimous consent. Meeting adjourned at 4:24 p.m.

**PLANNING COMMITTEE
OF THE BOARD OF WATER WORKS TRUSTEES
HELD AT THE OFFICE OF DES MOINES WATER WORKS
PURSUANT TO NOTICE**

Tuesday, April 4, 2016
3:30 p.m.

Present:

Board Members: Dave Carlson, Marc Wallace

Staff Members: Ted Corrigan, Peggy Freese, Doug Garnett, Erika Hale, Amy Kahler, Laura Sarcone, Bill Stowe, and Jennifer Terry

1. Affirmative Action Plan – Ms. Erika Hale noted staff recently engaged the assistance of a consultant, OutSolve, to complete the 2017 Affirmative Action Plan. Based on the auditing of internal processes, staff was made aware of deficiencies and have addressed all identified compliance concerns. In addition, to assist OutSolve with its analysis of our current workforce in comparison to local job market, all employees were given the opportunity to self-identify (race, gender, veteran, disability status). Staff is pleased to report the makeup of our workforce is similar to that of our community. OutSolve recommended the following placement goals based on market availability in our area:
 - Executive/Senior Level Managers: 0.12 Full Time Employee (FTE) minorities needed to meet availability goal;
 - Professional: 1.5 FTE minorities needed to meet the availability goal;
 - Craft Workers: 4.4 FTE for minorities and 2.8 FTE for females to meet the availability goal;
 - Laborers and Helpers: 0.8 FTE for minorities to meet the availability goal.

Analysis against the Plan will be completed annually. Human Resources has implemented many outreach initiatives and activities to assist in recruiting and retaining a workforces that accurately reflects the community we serve. Mr. Stowe stated that Des Moines Water Works has the responsibility for promoting equal employment opportunity and applying affirmative action principals. Human Resources will continue to ensure that the company's policy is understood, supported, and adhered to by all employees.

2. CEO and General Manager's Comments – No comments from the CEO and General Manager.
3. Public Comments – No comments from the public.

Meeting adjourned at 4:06 p.m.

**REGIONALIZATION REVIEW COMMITTEE
OF THE BOARD OF WATER WORKS TRUSTEES
HELD AT THE OFFICE OF DES MOINES WATER WORKS
PURSUANT TO NOTICE**

Wednesday, April 5, 2016

3:30 p.m.

Present:

Board Members: Dave Carlson, Graham Gillette, Sue Huppert

Staff Members: Ted Corrigan, Peggy Freese, Doug Garnett, Amy Kahler, Dan Klopfer, Laura Sarcone, Bill Stowe, and Jennifer Terry

1. Discuss Existing Contractual Agreements Involving Water Production, Past Regionalization Initiatives, and Future Discussion Opportunities – Mr. Stowe noted that for approximately six weeks, he has been in discussion with the general managers of West Des Moines Water Works and Urbandale Water Utility, on concepts for a regional organization structure. Numerous factors need to be addressed, but, a broad outline of the three main factors as currently envisioned would be 1) Using the almost completed Core Network Long Range Plan as a road map for future water and water infrastructure needs; 2) Creating a separate regional entity for regional water production via 28E/ 28F Agreements, but with the three existing water boards – Des Moines Water Works (DMWW), Urbandale Water Utility (UWU), and West Des Moines Water Works (WDMWW) –retaining their distribution systems and certain existing water production facilities (DMWW: Fleur Drive and WDMWW: AC Ward); and 3) Monetizing purchase capacity for regional board representation. Mr. Stowe provided historical and financial details on how to monetize purchase capacity. In 1996, DMWW sold purchase capacity to fund Maffitt treatment plant, and in 2005, to fund Saylorville treatment plant. DMWW has water production capacity of 110 million gallons per day. DMWW has sold 56.1 million gallons per day in purchase capacity – slightly more than half of plant capacity. The Master Agreement is written as an option for water capacity, not ownership of physical assets. The separate entity, currently envisioned to be named “Central Iowa Water Works”, would be created by agreements under existing law, not by force of legislation. The communities joining the separate entity would need to agree to exclusivity and could not build new treatment plants outside the new regional Central Iowa Water Works. Assets of the treatment plants at Maffitt and Saylorville would be transferred to the new entity with contracts for DMWW to operate.

Mr. Gillette asked about the process to approach regionalization. Entities first need to agree on concept of a regional-governed water production entity, with the goal of managing water resources by working together, rather than competing. Then can dive deeper into specifics: What does governance mean? What does ownership look like? Mr. Gillette stated we need to work hard for next six months to lay a blueprint before the next legislative session.

Ms. Huppert noted that we need to engage mayors and city councils as well, and provide a collaborative spirit to the process. Ms. Huppert also suggested all this information be supplied in a short concept paper, for upcoming meetings. This concept paper would be for discussion, reaction, and suggestion; not a final product that entities must agree to.

Mr. Stowe recommended that the Regionalization Review Committee should have discussions with full the Board and potential facilitators, then begin the process of discussions with other utilities and entities. Mr. Gillette will start a draft of the concept paper and forward it to staff to review. Mr. Gillette and Ms. Huppert will begin making a list of individuals and groups to meet with, as well as a list of potential discussion facilitators.

Ms. Kahler inquired about the status of the invitation to wholesale customers for representation on the Finance and Audit Committee. Ms. Huppert and Mr. Gillette agreed to follow up to the invitation to wholesale customers after the legislative session ends.

2. CEO and General Manager's Comments – Mr. Stowe remarked that nitrate concentration levels in source waters are increasing. Ms. Terry noted House File 484 has not been debated or voted on; however, staff will remain engaged until the session ends. Ms. Huppert noted Ms. Gearhart's resignation from the Board.
3. Public Comments – No comments from the public.

Meeting adjourned at 4:42 p.m.

**CALLED MEETING OF THE BOARD OF WATER WORKS TRUSTEES
HELD AT THE OFFICE OF THE DES MOINES WATER WORKS
PURSUANT TO NOTICE, TUESDAY,
April 11, 2017**

Present: Chairperson Ms. Susan R. Huppert, presiding; Mr. Graham R. Gillette, and Mr. Marc R. Wallace. Mr. David A. Carlson joined the meeting in progress as noted below. Staff members attending were: Pat Bruner, Ted Corrigan, Peggy Freese, Doug Garnett, Amy Kahler, Webster Kranto, Mike McCurnin, Laura Sarcone, and Bill Stowe. Also in attendance Rick Malm, legal counsel.

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

Public Comment Period – The Board heard public comment by 10 individuals speaking in favor of an appeal of the dismissal of the Clean Water case.

Mr. Carlson joined the meeting at 3:44 p.m.

Mr. Gillette thanked supporters for coming, and asked the public to continue to fight for clean water. Mr. Wallace also voiced the need to continue the conversation about clean water. Mr. Carlson thanked the public for attending.

Election of Vice-Chairperson for 2017-2018 – A motion was made by Mr. Carlson, seconded by Mr. Gillette, to elect Mr. Wallace Vice-Chairperson for the 2017-2018 term, effective immediately. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

Closed Session – At 4:14 p.m., Mr. Gillette made a motion, seconded by Mr. Wallace, for the Board to go into closed session, pursuant to Section 21.5(1)(c), Code of Iowa to discuss strategy with counsel following the federal district court ruling in the Clean Water litigation. This topic should be discussed in closed session to avoid disclosure likely to prejudice or disadvantage the position of the Des Moines Water Works. A roll call vote was conducted. Mr. David Carlson, Mr. Graham Gillette, Ms. Susan Huppert, and Mr. Marc Wallace each voted “Aye.” A closed session was then conducted.

The Closed Session ended at approximately 4:59 p.m., and the Board returned to open session.

Action Resulting from Closed Session Discussions – A motion was made by Mr. Wallace, seconded by Mr. Carlson, to authorize CEO and counsel to move to resolve the Clean Water Act case without appeal. A roll call vote was conducted. Mr. David Carlson, Mr. Graham Gillette, Ms. Susan Huppert, and Mr. Marc Wallace each voted “Aye.”

CEO and General Manager’s Comments – No comments from the CEO and General Manager.

Adjournment – Adjourn by unanimous consent. Meeting adjourned at 5:00 p.m.