

**CALLED MEETING OF THE BOARD OF WATER WORKS TRUSTEES  
HELD AT THE OFFICE OF THE DES MOINES WATER WORKS  
PURSUANT TO NOTICE, TUESDAY,  
August 22, 2017**

Present: Chairperson Susan R. Huppert, presiding; Mr. David A. Carlson, and Mr. Marc R. Wallace. Mr. Graham R. Gillette joined by telephone. Staff members attending were: Karey Alvarado, Jessica Barnett, Pat Bruner, Ted Corrigan, Peggy Freese, Doug Garnett, Fritz Gookin, Amy Kahler, Webster Kranto, Dan Klopfer, Jeff Marker, Mike McCurnin, Donnie Miller Laura Sarcone, Bill Stowe, and Jennifer Terry, Carrie Wolfe. Also in attendance Rick Malm, legal counsel; Craig Robinson, Concordia Group; Sam Carrell, Hannah Inman and Randy Reichardt, Des Moines Water Works Park Foundation;

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

Consent Agenda – A motion was made by Mr. Wallace, seconded by Mr. Carlson to approve Consent Items A, B, D, and E (approval of Minutes, July 25, 2017, Board of Water Works Trustees Meeting; Minutes, July 31, 2017, Planning Committee Meeting; Minutes, August 8, 2017, Finance and Audit Committee Meeting; Minutes, August 15, 2017, Customer Relations Committee Meeting; Filing of the financial statements for audit purposes; Summary of CEO-Approved Expenditures in Excess of \$20,000; and approval of September 26, 2017, as the next meeting of the Board of Water Works Trustees). 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 called the Board's attention to Consent Item C to highlight a reimbursement made out to him for safety books for employees. A motion was made by Mr. Carlson, seconded by Mr. Wallace to approve Consent Item C (Payments for July 2017). 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 – No public comments.

Argo Adventures Lease Agreement – Mr. Stowe stated Argo Adventures is a canoe sport outfitter, offering river trips starting in Walnut Woods State Park and ending in Water Works Park. Argo desires to rent storage space in one of the buildings on the Hallett property under a lease agreement as presented to the meeting. The term of the lease agreement is through the end of 2018, with a lease payment of \$200 per month for each month during which the equipment is stored on the property (approximately nine months). A motion was made by Mr. Wallace, and seconded by Mr. Carlson to approve and authorize the Chairperson to execute the Argo Adventure Lease Agreement. 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 Des Moines Water System Improvements – Contract 3 and Establish the Date of the Public Hearing as the Date of the September 2017 Board Meeting – Mr. Stowe noted an emergency water main break occurred beneath railroad tracks on Maury Street between SE 18<sup>th</sup> Street and SE 21<sup>st</sup> Street. To meet railroad requirements, we are

required to install steel casing pipe and new water main under the railroad tracks. This water main replacement has a higher priority than previously selected streets in the 2017 Water System Improvement Plan. A motion was made by Mr. Wallace, and seconded by Mr. Carlson to authorize staff to solicit bids for 2017 Des Moines Water System Improvements – Contract 3 and establish the date of Public Hearing as the date of the September 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 Fleur Drive Water Treatment Plant Ferric Chloride Storage Improvements – A Public Hearing was opened by Chairperson Huppert for comments from the public regarding 2017 Fleur Drive Water Treatment Plant Ferric Chloride Storage Improvements. No oral or written public comments were received. The Public Hearing was closed. The Board finding no alternate facilities available for rent or sharing, a motion was made by Mr. Wallace, and seconded by Mr. Carlson 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 three responsive bidders. The engineer's estimate was \$524,000. The lowest bidder, Brocon Services, L.L.C., has successfully completed similar projects for Des Moines Water Works in the past. A motion was made by Mr. Carlson, and seconded by Mr. Wallace to award the 2017 Fleur Drive Water Treatment Plant Ferric Chloride Storage Improvements contract to Brocon Services, L.L.C., in the amount of \$593,000, and to 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.

Approve Sale of Purchased Capacity from Berwick Water Association to Polk City, Iowa – Mr. Stowe stated Berwick Water Association purchased 250,000 gallons per day of purchased capacity from Des Moines Water Works in 1996. In 2013, Berwick became a Total Service customer of Des Moines Water Works. Because their purchased capacity provides little benefit under a Total Service relationship, Berwick offered their purchased capacity for sale and requested bids from any wholesale customer of Des Moines Water Works who was interested in increasing their purchased capacity. Polk City submitted the highest bid at \$3.018 per gallon or a total of \$754,500 and Berwick proposes to sell its 250,000 gallons of purchased capacity to Polk City, which requires consent of Des Moines Water Works. A motion was made by Mr. Wallace, and seconded by Mr. Carlson to approve and consent to Berwick Water Association's sale and assignment of 250,000 gallons per day of purchased capacity to Polk City and authorize the Chairperson and CEO and General Manager to execute the Agreement for Assignment and Sale of Purchased Capacity and appropriate supplemental Adoption Annexes. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

#### Board Committee Reports –

The following reports were provided:

- Mr. Carlson noted the Planning Committee met on July 31, 2017, and discussed the Des Moines/Ankeny/Polk City Planning Report and Energy Management.
- Mr. Gillette reported the Finance and Audit Committee met on August 8, 2017, and received an update on the Customer Information System (CIS) project.

- Mr. Gillette noted the Customer Relations Committee met on August 15, 2017, where staff discussed examples of governance structures. Public meetings on regionalization will begin on September 13. There will be discussion at the September Board meeting on Des Moines Water Works Board’s position for regionalization. Ms. Huppert provided updated guiding principles. Mr. Wallace underscored Des Moines Water Works’ history of regional activities and relationships. Mr. Gillette noted the need to solidify a sound structure for the future to serve and manage the water resources for the region.
- No report on the Greater Des Moines Botanical Garden was given.
- Mr. Wallace deferred updates from the Des Moines Water Works Park Foundation to the presentation after the Board meeting.
- Ms. Terry reported on 2018 legislative priorities, meetings and tours with metro area legislators and declared gubernatorial candidates.

CEO and General Manager’s Comments –

- Mr. Stowe brought the Board’s attention to the quarterly update of staff’s 2017 utility goals.
- Mr. Stowe commented on the upcoming grand opening of Purple Martin Lake Water Resource Area, a Water Works property that is being opened to public use under management of the IDNR.

Ms. Huppert noted the Contract Status Spreadsheet, July 2017 Lien Certification and Reversals, and Environmental Outreach Summary in the Board’s packet.

The following Competitive Quotation Project was submitted for review and notation in these minutes:

<b>Title</b>	<b>Description</b>	<b>Date of Contract</b>	<b>Contractor</b>	<b>Amount</b>
2016 Hazen Elevated Storage Tank Overflow Air Gap Retrofit	Furnishing of all labor, materials, tools, equipment, transportation, permits, certificates, and temporary protection necessary for, or incidental to, completing the 2016 Hazen Elevated Storage Tank Overflow Air Gap Retrofit. The retrofit air gap system places a pair of round openings low in the overflow pipe that are fitted with supplemental vertically oriented pipes that extend to a location up the overflow pipe. The supplemental pipes provide a conduit to introduce air flow in the overflow pipe to break any siphon. The supplemental pipes are configured to suitably contain overflow water to prevent spillage.	proposals to be received on Tuesday, September 22, 2017		

Adjournment –Meeting adjourned at 4:13 p.m. by unanimous consent.

After Board Meeting Presentations – Mr. Ted Corrigan provided an update on Des Moines Water Works grounds staff and activities. Ms. Hannah Inman and Mr. Randy Reichardt provided an update on Des Moines Water Works Park Foundation projects.

Meeting ended at 4:49 p.m.

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

Tuesday, September 12, 2017  
3:30 p.m.

Present:

Board Members: Graham Gillette, Susan Huppert

Staff Members: Ted Corrigan, Peggy Freese, Amy Kahler, Bill Stowe and Laura Sarcone

Also in attendance: Rex Watson, Bridgestone/Firestone

1. Preliminary 2018 Water Rates – Ms. Freese stated the Board will be asked to take action on new rates at the October Board meeting. One factor to consider in setting water rates is the Cost of Service Study (COS). Staff reviewed the 2016 COS with the Finance and Audit Committee at its July meeting. As noted at that meeting, the 2016 COS showed that both costs and consumption increased. Total costs (operating and maintenance and capital replacement costs) increased 1% in 2016. Staff is concurrently working on the 2018 budget, together with rate recommendations. Many line items in the operating budget can generally be expected to increase annually – labor, chemical prices, energy costs, etc. On the capital side, the aging of assets creates an ongoing and increasing need for spending on capital projects even though we have a long history of substantial reinvestment in our infrastructure. Staff has included hypothetical rate increases of 5%, 7% and 10% in the materials provided. Staff is recommending a 7% increase for most service areas. In some areas (Polk County Rural Water District #1 and Wholesale “With Storage”), rates will continue to be higher due to significant capital needs beyond what would normally be funded through their rates. Ms. Freese noted that the consultant, Raftelis, has completed its review of DMWW’s current COS methods. Any changes adopted that result from its work will be used in rate recommendations for 2019, and beyond. Mr. Gillette suggested upcoming indebtedness discussions should begin soon. Ms. Huppert stated this Committee will bring the 7% water rate increase recommendation to the full Board in October. Mr. Gillette requested staff to give some thought on how we present rate numbers in the future.
2. CEO’s Comments – Mr. Stowe commented on water quality concerns, including cyanotoxins, related to the bacteria also known as blue-green algae.
3. Public Comments – Mr. Rex Watson, utilities manager from Bridgestone/Firestone, spoke to the Board on water rate increases and suggested creative, strategic partnerships on water consumption and rates.

Meeting adjourned at 4:36 p.m.

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

Tuesday, September 19, 2017

3:30 pm

Present:

Board Members: Graham Gillette, Sue Huppert

Staff Members: Ted Corrigan, Peggy Freese, Amy Kahler, Mike McCurnin, Laura Sarcone, and Bill Stowe

Also in attendance: Craig Robinson, Concordia Public Affairs

1. Staff Report on Regional Issues – Mr. Stowe noted the first public meeting of the Central Iowa Regional Water Utility working group was held and the next meeting is scheduled for Wednesday, September 27, at 7:30 a.m., at Urbandale City Hall. Ms. Huppert provided a brief summary of the meeting, including a presentation from Nathan Casey on the Long Range Plan being developed by Des Moines Water Works, and an introduction and brief update from the selected regionalization facilitator Jason Mumm from FCS Group. Ms. Huppert discussed the proposed Agenda for the next meeting, including Mr. Mumm presenting an overview, observations, timeline, and a more defined look at process. West Des Moines Mayor Gaer will not be at the September 27 meeting; Urbandale Mayor Andeweg will chair the meeting. Mr. Gillette will attend the October 11 meeting date on behalf of Des Moines Water Works. Ms. Huppert noted that Mr. Gillette will be leading a discussion at the next Board meeting for the full Board's attention on support for regional efforts. Mr. Stowe noted a resolution may be premature; however, a resolution will have little binding authority. It was decided that a discussion will be placed on the September Board Agenda under Information Items. Mr. Gillette asked about the facilitator's role and deliverables, including the type of agreement and the parties involved in that agreement. Ms. Huppert noted that Mr. Mumm will be discussing the process with Polk County Supervisors and staff on October 4, and future visits will include a presentation and update to the Central Iowa Regional Drinking Water Commission (CIRDWC). Mr. Stowe noted staff has drafted a letter to elected officials of wholesale and total service customers, as well as four county boards of supervisors (Dallas, Madison, Polk, and Warren), on the process to date and inviting them to the public meetings for discussion. The customer communication letter will come from Des Moines, West Des Moines, and Urbandale water utility board chairs. Ms. Huppert and Mr. Stowe discussed the contract with facilitator. Mr. Stowe will sign the contract for Des Moines Water Works, as the cost to it is within his spending authority. The parties will pay the total cost in equal shares.
2. CEO and General Manager's Comments – Mr. Stowe provided details on the upcoming budget approval process, including approval of proposed 2018 rates in October and 2018 budget approval in November. Staff is proposing an increased emphasis in the capital budget for the Des Moines distribution system. The operating budget will include a number of contributions and sponsorships, including an annual contribution of \$50,000 to Greater Des Moines Partnership, a commitment to Drake University in the form of laboratory in-kind services for sampling of source waters and to the Drake University Agriculture Law Center for advocacy sponsorship.

Mr. McCurnin provided an update on recent cyanobacteria and associated toxin concerns in our source waters.

Mr. Corrigan provided details about a recent main break in downtown. An 8-inch cast iron pipe installed early 1900s broke in front of Des Moines Police Station.

3. Public Comments – No comments from the public.

Meeting adjourned at 4:37 p.m.