

**CALLED MEETING OF THE BOARD OF WATER WORKS TRUSTEES
HELD AT THE OFFICE OF THE DES MOINES WATER WORKS
PURSUANT TO NOTICE, TUESDAY,
July 28, 2015**

Present: Ms. Leslie A. Gearhart, presiding; Mr. David A. Carlson, and Ms. Susan R. Huppert. Mr. Marc R. Wallace joined the meeting in progress as noted below. Staff members attending were: Pat Bruner, Ted Corrigan, Peggy Freese, Doug Garnett, Donna Heckman, Amy Kahler, Dan Klopfer, Mike McCurnin, Laura Sarcone and Bill Stowe. Also in attendance was Rick Malm, legal counsel. Linda Kirk and Lane Sires, The Principal Financial Group.

Due to an unexpected delay in obtaining a quorum, Ms. Gearhart called the meeting to order at 5:08 p.m.

Consent Agenda – A motion was made by Ms. Huppert, seconded by Mr. Carlson, to approve Consent Items A, B, C, D, and E (approval of the minutes of the June 23, 2015, meeting of the Board of Water Works Trustees, minutes of the July 7, 2015, Planning Committee meeting; minutes of the July 14, 2015, Finance and Audit Committee meeting; filing of the financial statements for audit purposes; approval of payments for June 2015; summary of CEO-Approved Expenditures in Excess of \$20,000; and approval of August 25, 2015, as the next meeting of the Board of Water Works Trustees). Upon vote, the motion was adopted, with Ms. Gearhart, Mr. Carlson and Ms. Huppert voting in favor of the motion.

Public Comment Period – None.

2015 Army Post Road Aquifer Storage and Recovery Well – A Public Hearing was opened by Vice Chairperson Gearhart for comments from the public regarding the 2015 Army Post Road Aquifer Storage and Recovery Well. Receiving no oral or written comments, the Public Hearing was closed. Finding that no facility of the kind to be constructed is available for rent or sharing from another agency for this infrastructure, a motion was made by Ms. Huppert for adoption of form of contract, plans and specifications, and estimated cost, and seconded by Mr. Carlson. Upon vote, the motion was adopted, with Ms. Gearhart, Mr. Carlson and Ms. Huppert voting in favor of the motion. Mr. Stowe provided background and reviewed the bids. This is the first project to complete the construction of a new Aquifer Storage and Recovery facility in collaboration with the City of West Des Moines and West Des Moines Water Works. The Engineer's estimate for the 2015 Army Post Road Aquifer Storage and Recovery Well project was \$1,800,000. A motion was made by Mr. Carlson, and seconded by Ms. Huppert, to award the 2015 Army Post Road Aquifer Storage and Recovery Well to Grosch Irrigation Company, Inc., dba Grosch Drilling Company, in the amount of \$1,830,656, and authorize the Vice-Chairperson and CEO and General Manager to execute the contract. Upon vote, the motion was adopted, with Ms. Gearhart, Mr. Carlson and Ms. Huppert, voting in favor of the motion.

Cost of Service Study – The Des Moines Water Works' 2014 Cost of Service (COS) Study was presented at the July 14, Finance and Audit Committee meeting. Mr. Stowe noted that a copy of

Ms. Freese's presentation will be sent to all Board members. In summary, costs increased and consumption decreased in 2014. The combination of increased costs and decreased consumption resulted in an increase in the cost per 1,000 gallons in nearly all service areas. Staff will forward the report to full service and wholesale customers and schedule a review meeting in August. Staff will do additional analysis and develop preliminary rate recommendations for discussion at the September Finance and Audit Committee meeting. A motion was made by Mr. Carlson, and seconded by Ms. Huppert, to accept and file the 2014 Cost of Service Study. Upon vote, the motion was adopted, with Ms. Gearhart, Mr. Carlson and Ms. Huppert, voting in favor of the motion. The 2014 Cost of Service Study was accepted and filed.

Cancellation of Public Hearing for 2015 Fleur Plant Pavement Replacement – Mr. Stowe noted that in May, the Board was asked to set a public hearing for July Board meeting for the 2015 Fleur Plant Pavement Replacement project. After working with staff, it was determined that a significant portion can be done by staff in house, with other structural portions contracted out within the CEO and General Manager's spending limit. A motion was made by Ms. Huppert, seconded by Mr. Carlson, to cancel the Public Hearing for 2015 Fleur Plant Pavement Replacement. Upon vote, the motion was adopted, with Ms. Gearhart, Mr. Carlson and Ms. Huppert, voting in favor of the motion.

Board Committee Reports –

The following reports were provided:

- Mr. Carlson noted that the Planning Committee met on July 7, and discussed the Technical Advisory Committee and an update from the Des Moines Water Works Park Foundation Board.
- Ms. Huppert noted that the Finance and Audit Committee met on July 14, and reviewed the 2014 Cost of Service study and 2016 budget timeline.
- Ms. Gearhart reported that she requested a plan for clean water education from the Greater Des Moines Botanical Garden Board.
- At the Board's request, Mr. Stowe noted that the Des Moines Water Works Park Foundation's financials were included in the Board packet.

Mr. Wallace joined the meeting at 5:18 p.m.

CEO and General Manager's Comments –

- AFSCME/DMWW Negotiation Overview – Mr. Stowe noted the great working relationship that exists with AFSCME leadership and members. The current contract expires December 31, 2015. Staff will be seeking a new three year contract, and is in the process of finalizing details in preparation for negotiations. Mr. Stowe will give periodic updates to the Board. Mr. Wallace noted the exceptional dedication of the AFSCME workforce, especially during winter of 2014 for main breaks.
- 2015 5 kV System Emergency Repairs – Under the Board Policy Manual, Mr. Stowe reported that he had exercised the CEO and General Manager's authorization to declare and find an emergency necessity to contract for repair to electrical systems at the Fleur Drive Treatment Plant and Des Moines Water Works General Office based on a staff professional engineer's certificate of emergency which was included the Board materials.

Staff is working with Baker Electric, for a cost of approximately \$170,000, for repairs to a 5,000 volt system at the Fleur Drive Treatment Plant. Final cost will be presented to the Board.

Adjournment – A motion to adjourn was made by Ms. Huppert and seconded by Mr. Carlson. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion. Meeting adjourned at: 5:25 p.m.

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

Tuesday, August 4, 2015
3:37 p.m.

Present:

Board Members: Dave Carlson, Marc Wallace

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

Also present:

1. 2015 Flood Recovery – Mr. Stowe noted various aspects of protecting Des Moines Water Works’ assets from flood events, including technology, emergency plans and dedicated and knowledgeable staff. Mr. Corrigan noted that flooding on Raccoon River is becoming more prevalent over time and there is a detailed process in place to protect Des Moines Water Works’ people and property. Depending on river elevation, the emergency plan assigns various tasks to employees. Flood stage is 12-feet and staff has responded to two events so far this summer with crests above the flood stage. There was significant damage from the June flood event, including damage to the gallery flooding station, Raccoon River intake, grounds shop, barn, Water Works Park roads, Water Works Park pedestrian bridge, Fleur Drive split rail fence, Water Works Park fountain and garden, and the Fleur Drive median planters. Damage also included debris left in Water Works Park. There has been significant progress made in repairs and cleanup. Crystal Lake was inundated and suffered the most damage. Rental of pumps and fuel to dewater Crystal Lake will be the biggest expense associated from the June 2015 flood. The damage assessment is approximately \$450,000. Some of the grounds shop and barn structural damage may be covered by insurance, but most costs will be paid out of the operating budget. In addition, the 2015 flood events forced the cancellation of two scheduled concerts in Water Works Park’s large event field. Mr. Corrigan noted that the June flood event would have inundated all proposed amenity updates in the Water Works Park Master Plan. This is a reminder of the need, when moving forward with planning and construction of Water Works Park updates, to flood-harden all structures and amenities. Mr. Stowe noted the Emergency Operations Team conducted a post-flood analysis to discuss the emergency plan and work on updates and efficiencies to the plan. Mr. Stowe stated the goal in any flood event is to protect people and property, and we have been well served by our employees in these recent events.

2. CEO and General Manager’s Comments – None

3. Public Comments – None

Meeting adjourned at 4:35 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, August 11, 2015
3:30 p.m.

Present:

Board Members: Dave Carlson, Graham Gillette, Leslie Gearhart, Sue Huppert, Marc Wallace

Staff Members: Ted Corrigan, Doug Garnett, Peggy Freese, Amy Kahler, Jeanne Middleton, Laura Sarcone and Bill Stowe

Also present: Rick Malm and Colleen MacRae, legal counsel, for closed session.

1. Total Compensation Study – Mr. Stowe noted that staff issued a request for proposals to conduct a total compensation study in 2014. Segal Waters Consulting was selected as the consultant and delivered its final report on July 21, 2015. The results of the study have been shared with AFSCME union leadership, Senior Management Team, and with Des Moines Water Works employees generally. Several meetings have been conducted to communicate the results with Des Moines Water Works employees. Mr. Garnett stated that the report included information on pay ranges, compensation policies, paid leave programs and benefits offered to our employees. The primary objective of the study was to determine Des Moines Water Works' market position for both pay and benefits covering 51 (22 Union positions and 29 CPS positions) benchmark jobs. The results of the study showed that overall, Des Moines Water Works' pay ranges for both CPS and Union positions are above market at the minimum, midpoint and maximum, when compared to both public sector and private sector market data. All of Des Moines Water Works' Union positions are paid at market or above market at the pay range midpoint. The majority of the CPS positions are paid above market; however, there are four CPS positions that are below market at the pay range midpoint. With the conclusion of this project, Des Moines Water Works now has updated job descriptions that accurately reflect employee job responsibilities and required qualifications; a market assessment that measures Des Moines Water Works' market position compared to peer employers; and recommendations regarding potential changes to title assignments and pay grades.
2. Closed Session – At 4:05 p.m., a motion was made by Mr. Carlson, and seconded by Ms. Gearhart to conduct a closed session under Section 21.5(1)(c), Code of Iowa, at the request of the CEO and General Manager and counsel to discuss litigation strategy with counsel in the pending federal case concerning nitrate pollution 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, Ms. Leslie Gearhart, Mr. Graham Gillette, and Ms. Susan R. Huppert, each voted "Aye." A closed session was then conducted. Mr. Marc Wallace joined the closed session in progress at 4:12 p.m. At approximately 5:08 p.m., the meeting returned to open session. No action was taken as a result of the closed session.
3. CEO and General Manager's Comments – Mr. Stowe noted customer demand remains low and commented on the continued water quality concerns as emphasized by the numerous beach closures across the state, due to algae blooms. Ms. Huppert inquired about recent Des Moines Water Works Park Foundation meetings and stakes placed across Fleur Drive into

Gray's Lake Park. Mr. Stowe stated Mr. Corrigan and Mr. Klopfer from staff are attending technical committee meetings for the Gray's Lake crossing. Ms. Huppert expressed concern about any planning and/or construction meetings being conducted without notification to Gray's Lake, proper fundraising, and concern that the Board of Trustees not be responsible for expenses incurred by consultants. Mr. Wallace left the meeting at 5:23 p.m. Mr. Stowe stated the Board of Trustees will need to decide the level of involvement with the Park Foundation Board. Mr. Carlson requested a detailed list of concerns of the Park Foundation Board. Ms. Huppert stated that she recommends a move forward with a new Park Foundation Board of Directors and staff. Mr. Carlson will confer with Mr. Wallace before the next Park Foundation Board meeting to make sure they have the same understanding of Des Moines Water Works' interest. Mr. Stowe noted the involvement of Mr. Wallace and Mr. Carlson, and expressed the view that there should be fundamental change in the Water Works Park Foundation Board and leadership by the end of year and the Park Foundation must demonstrate significant fundraising efforts.

4. Public Comments – None

Meeting adjourned at 5:45 p.m.