

**CALLED MEETING OF THE BOARD OF WATER WORKS TRUSTEES
HELD AT THE OFFICE OF THE DES MOINES WATER WORKS
PURSUANT TO NOTICE, TUESDAY,
May 23, 2017**

Present: Chairperson Susan R. Huppert, presiding; Mr. Graham R. Gillette, Mr. David A. Carlson, and Mr. Marc R. Wallace. Staff members attending were: Pat Bruner, Ted Corrigan, Peggy Freese, Amy Kahler, Webster Kranto, Dan Klopfer, Mike McCurnin, Laura Sarcone, Bill Stowe, and Jennifer Terry. Also in attendance Rick Malm, legal counsel; Matt McQuillen, Clive Assistant City Manager; Leo Hajde, public; MacKenzie Elmer, Des Moines Register; Craig Robinson, Concordia Public Affairs; Chris Gruenhagen, Iowa Farm Bureau.

Ms. Huppert called the meeting to order at 3:32 p.m.

Consent Agenda – A motion was made by Mr. Wallace, seconded by Mr. Gillette, to approve Consent Items A, B, C, D, and E (approval of Minutes, April 25, 2017, Board of Water Works Trustees Meeting; Minutes, May 2, 2017, Planning Committee Meeting; Minutes, May 9, 2017, Finance and Audit Committee Meeting; Minutes, May 16, 2017, Regionalization Review Committee Meeting; Filing of the financial statements for audit purposes; Payments for April 2017; Summary of CEO-Approved Expenditures in Excess of \$20,000; and approval of June 27, 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. 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. Leo Hajde spoke to the Board expressing appreciation of the Board and Mr. Stowe's work on behalf of the community.

Concordia Public Affairs Services Agreement – Mr. Stowe stated it is staff's recommendation to continue services with Concordia Public Affairs for 12 months, at \$5,000 each month. Ms. Huppert clarified that this agreement for services is for Des Moines Water Works' needs, not the entire region. A motion was made by Mr. Wallace, and seconded by Mr. Carlson to authorize the CEO and General Manager to execute an Agreement with Concordia Public Affairs. 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 Asphaltic Concrete Surface Patch Contract – Mr. Stowe noted this contract and next agenda item (2017-2018 Concrete Contract) are annual contracts related to materials needed from time to time for street repairs after main break work. A motion was made by Mr. Gillette, and seconded by Mr. Wallace to award the Asphaltic Concrete Surface Patch Contract for 2017 to Grimes Asphalt & Paving, in the amount of \$302,400.00. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

2017-2018 Concrete Contract – A motion was made by Mr. Carlson, and seconded by Mr. Gillette to award the 2017-2018 Concrete Contract to Central Iowa Ready Mix, and authorize CEO and General Manager to execute the contract in the amount of \$237,934.00. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

Nitrate Removal Facility Process Residuals Force Main – Mr. Stowe stated this contract is part of a plan to re-direct nitrate removal facility residuals to processing at the Des Moines Wastewater Reclamation Authority facility. Such residuals are currently required by permit to be discharged into the Raccoon River. This contract is for the pipe system to connect to a sanitary sewer main. The Board approved the construction of the pumping station last month. A Public Hearing was opened by Chairperson Huppert for comments from the public regarding the Nitrate Removal Facility Process Residuals Force Main proposed form of contract, plans and specifications, and estimated cost. No oral or written public comments were received. The Public Hearing was closed. A Section 28E.18 Finding was made that no suitable alternate facilities are available for rent or sharing. A motion was made by Mr. Gillette, and seconded by Mr. Wallace 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 was \$1,100,000. Staff recommended an award to Raccoon Valley Contractors, LLC. A motion was made by Mr. Carlson, and seconded by Mr. Wallace to award the Nitrate Removal Facility Process Residuals Force Main contract to Raccoon Valley Contractors, LLC, in the amount of \$1,337,516, and authorize the Chairperson and CEO and General Manager to execute the contract. A roll call vote was conducted. Mr. David Carlson, Mr. Graham Gillette, Ms. Susan Huppert, and Mr. Marc Wallace each voted "Aye."

Nitrate Removal Facility Expansion Design Services – Mr. Stowe referenced the nitrate management plan completed in 2016 by consultant CH2M, which included several recommendations for future nitrate management. Staff is moving forward with a design contract for one of the recommendations in the plan to expand the ion exchange nitrate removal facility. The expansion would increase from current capacity of 10 million gallons per day (MGD) to 20 MGD. Mr. Stowe reviewed the proposals from four engineering firms that responded to a Request for Proposals. It is staff's recommendation, after evaluation of the four proposals, to enter a professional services agreement with CH2M for the Nitrate Removal Facility Expansion Design Services. Mr. Stowe noted the contract may increase, depending on building structural concerns. The preliminary estimate of construction costs is \$15 million. A motion was made by Mr. Gillette, seconded by Mr. Wallace, to authorize staff to execute Professional Services Agreement with CH2M, in an amount not to exceed \$698,290, for the Nitrate Removal Facility Expansion design project. Mr. Wallace commented on the many projects brought online since the original construction of the nitrate removal facility, including two new treatment plants, "Chain of Lakes," etc. Expansion of nitrate removal facility and other projects in the future will be needed to address escalating nitrate concentration levels in source waters. 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 Permission to Establish the Date of Public Hearing for CenturyLink Communication System Easement at Maffitt Reservoir as the Date of the June 2017 Board Meeting – A motion was made by Mr. Wallace, seconded by Mr. Carlson, to establish the date of the June 2017 Board meeting as the date of Public Hearing for CenturyLink Communication System Easement, 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.

Board Committee Reports –

The following reports were provided:

- Mr. Carlson noted the Planning Committee met on May 2, 2017, and discussed the Nitrate Removal Facility Expansion Request for Proposals. Mr. Stowe noted staff has been operating the Nitrate Removal Facility since May 21. Mr. Stowe also commented that construction of a large wetland may be delayed or replaced with other nitrate management options.
- Mr. Gillette noted the Finance and Audit Committee met on May 9, 2017, and discussed the Concordia Public Affairs services agreement. Mr. Gillette noted he is unavailable for the June Finance and Audit Committee date and will work to reschedule.
- Mr. Gillette noted the Regionalization Review Committee met on May 16, 2017, and discussed on how to best approach and broaden the discussion. The Committee recommends starting with a small group consisting of the three water utilities and other cities. Mr. Gillette noted the Black & Veatch report was completed for the Central Iowa Regional Drinking Water Commission for the valuation of assets. However, moving forward, the discussion is likely to center on governance and management of water resources, not regional ownership of assets. Mr. Stowe noted West Des Moines Water Works and City of Waukee are moving forward with testing of a potential raw water source. Mr. Stowe remarked on a recent *Business Record* article with incorrect assumptions from City of Des Moines City Manager on Des Moines Water Works' aging infrastructure.
- No report on the Greater Des Moines Botanical Garden was given.
- Mr. Wallace reported on the Des Moines Water Works Park Foundation, noting the progress being made. Mr. Carlson noted the Park Foundation's desire to move forward with relocation of George Flagg Parkway.

CEO and General Manager's Comments –

- Mr. Stowe brought the Board's attention to the metro area rate comparison charts included in the Board packet.

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

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

Title	Description	Date of Contract	Contractor	Amount
2017 Fleur Plant Pumping Station North Entrance Reconstruction	Provide labor, equipment, and materials necessary to remove an existing building entrance stoop and replace it with a new cast-in-place concrete stoop. The Project is located within the Des Moines Water Works Fleur Drive Plant located at 408 Fleur Drive in Des Moines, Iowa. The stoop is located on the north side of the Pump Station building.	5/16/2017	Nate Todd Construction	\$ 56,960.00

Mr. Carlson requested that the Planning Committee receive a diversity hiring update at an upcoming meeting.

Adjournment – Adjourn by unanimous consent. Meeting adjourned at 4:42 p.m.

Clive Greenbelt – Mr. Matt McQuillen, Clive Assistant City Manager, provided a summary of the Clive Greenbelt Campaign, highlighting the priorities of managing stormwater for water quality and flood mitigation; restoring habitat; trail connection; public health; business connections; and public art. Mr. McQuillen noted discussions with Water Works Park Foundation to coordinate the story of water in the watershed.

Meeting ended at 5:30 p.m.

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

Tuesday, June 6, 2016
3:30 p.m.

Present:

Board Members: Dave Carlson

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

1. Board Policy Manual Updates – At Mr. Carlson’s suggestion, staff will bring the Board Policy Manual revisions to the full Board for receipt at the June Board meeting, with consideration of approval by the full Board at the July Board meeting. Edits to the Board Policy Manual include language clean-up and alignment with policies already in place.
2. Long Range Plan – Mr. Casey noted the purpose of the Long Range Plan is to project future water demands and develop a strategy for providing quality water in reliable quantities to the communities we serve. With the assistance of Central Iowa Regional Drinking Water Commission’s Technical Advisory Committee, population and water demand projections were developed for the Des Moines metro area. The Long Range Plan improvements have been categorized into three major alternatives designed to meet production requirements. Generally, the major alternatives are based on the different supply and production capacities at existing facilities and the possible addition of a fourth water treatment plant. All alternatives include expansion of McMullen and Saylorville Water Treatment Plants. Proposed pumping, storage and ASR improvements are consistent among all the alternatives. Necessary transmission improvements vary somewhat for each alternative. Alternative 1 – Fleur Drive Expansion is the least expensive as it makes the most use of existing supply and treatment infrastructure, but requires more transmission feeder mains to convey the water throughout the system and places additional production capacity within the flood plain. Alternative 2 – Saylorville Water Treatment Plant Expansion is in the middle of the cost range as it better uses existing distribution infrastructure, but requires significant supply and treatment expansions. Alternative 3 – a new fourth water treatment plant is the most expensive as it requires significant new supply, treatment, and distribution infrastructure.
3. Follow up to Affirmative Action Plan – Mr. Garnett provided an update on internal promotions and new hires since the last report to the Planning Committee in April. From April to present, a total of 28 vacancies have been filled, including 13 filled internally through transfers and promotions. Mr. Stowe noted former Des Moines Mayor Preston Daniels will be providing mandatory diversity training for staff.
4. CEO and General Manager’s Comments – Mr. Stowe stated the Nitrate Removal Facility remains in operation. We are producing approximately 70 million gallons of water per day.

Mr. Carlson asked for a comparison of the rates of services included on water bills over a five year period (water, sewer, stormwater, solid waste).

5. Public Comments – No comments from the public.

Meeting adjourned at 4:26 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**

Monday, June 19, 2017
3:30 p.m.

Present:

Board Members: Graham Gillette, Susan Huppert

Staff Members: Peggy Freese, Michelle Holland. Amy Kahler, Dan Klopfer, Bill Stowe,
Laura Sarcone

Also in attendance: Craig Robinson from Concordia Public Affairs; Kristen Hughes from RSM
US LLP

1. DMWW and Pension Audit Reports – Mr. Stowe introduced Ms. Hughes from RSM US, LLP, who presented draft audit reports for the year ended December 31, 2016, in accordance with generally accepted accounting principles. Ms. Hughes recognized staff and management preparation prior to the audit. Ms. Hughes reviewed audit reports for Des Moines Water Works' financial statements and the Des Moines Water Works pension plan financial statements, as well as audit reports for solid waste, sewer and storm water collection charges for which Des Moines Water Works is the billing and collection agent for the City of Des Moines. Each of the audits will include an unqualified, clean opinion, which is the highest level of assurance provided by CPA firms. Ms. Hughes summarized the differences found from previous year's audits. The Board will receive and file the audit reports at the June Board meeting, with the Finance and Audit Committee's support.

2. Capital Improvement Plan – Mr. Stowe stated Finance and Engineering staff have worked cooperatively to establish a process for developing and maintaining a five-year capital improvement plan (CIP). The five-year CIP encompasses years 2017-2021 and totals \$178,185,480 in identified investments. The one-year capital budget for 2017 of \$18,943,971 was approved by the Board in November 2016. The Board will receive and file the five-year CIP; however, it will not take immediate action on specific projects within the CIP beyond 2017. In the fall, the Board will approve the one-year capital budget for 2018. The CIP lays the groundwork and sets a course for investments needed to meet federal drinking water standards, to improve or expand water infrastructure, and to enhance technology through 2021. Mr. Klopfer provided detail on the previous five-year CIP (2016-2020) and identified several factors that impacted the planning for the current CIP, including: disinfection by-product and nitrate management plans, the Des Moines Water Works Park Foundation updated schedule, and the draft 2040 Long Range Plan, which includes input from suburban customers via the Central Iowa Drinking Water Commission Technical Committee. Ms. Huppert inquired about the timeline for the Long Range Plan. Staff is finalizing the Long Range Plan, with significant input from our suburban customers. The goal is to provide the CIRWDC Technical Committee with a link to the Long Range Plan at its next meeting. The Long Range Plan will be a framework for water needs in the Des Moines region, including source water, treatment, pumping, transmission and storage. The 2017-2021 CIP is a step toward the Long Range Plan. Based off the Long Range Plan findings, the five-year CIP now includes: design of Saylorville Water Treatment Plant expansion, two new aquifer storage and recovery wells, increased funding for water main replacement, additional transmission

mains, and a new Des Moines River shallow wellfield. Items removed or delayed from the CIP include: McMullen presedimentation, Water Works Park wetland, water storage tank aeration, and tank painting. Mr. Stowe noted the CIP is intentionally comprehensive, with over \$178 million in investments identified. There is no expectation that all of the improvements will be completed in the years noted. Some improvements may be deferred or eliminated altogether. The five-year CIP demonstrates today's prioritization for infrastructure plans, but will be under constant review. Ms. Freese noted that staff is committed to managing and optimizing available financial resources. Financing may involve a combination of bonding, grants, water rates, sale of purchased capacity, and SRF loans. Mr. Gillette expressed thanks for staff's time and extensive work in completing the CIP and the Long Range Plan.

CEO's Comments –The CEO and General Manager provided no comments.

3. Public Comments – None.

Meeting adjourned at 4:58 p.m.