

**CALLED MEETING OF THE BOARD OF WATER WORKS TRUSTEES
HELD AT THE OFFICE OF THE DES MOINES WATER WORKS
IN PURSUANCE TO NOTICE, TUESDAY,
November 25, 2014**

Present: Mr. Graham R. Gillette, presiding; Mr. David A. Carlson, Ms. Leslie A. Gearhart, Ms. Susan R. Huppert, and Mr. Marc R. Wallace. Staff members attending were: Pat Bernard, Pat Bruner, Ted Corrigan, Doug Garnett, Dan Klopfer, Mike McCurnin, and Bill Stowe. Also in attendance was Rick Malm, legal counsel.

Consent Agenda – A motion was made by Ms. Huppert, seconded by Ms. Gearhart, to approve Consent Items A, B, C, D, and E (approval of the minutes of the October 28, 2014, meeting of the Board of Water Works Trustees, minutes of the December 2, 2014, meeting of the Planning Committee; filing of the financial statements for audit purposes; approval of payments for October 2014; summary of CEO-Approved Expenditures in Excess of \$20,000; and approval of December 16, 2014, as the next meeting of the Board of Water Works Trustees). Referencing the October 2014 accounts payable listing, Mr. Stowe called attention to several payments. Check #199944 in the amount of \$234.15 was reimbursement to Mr. Stowe for his meals when he attended the annual conference of the Association of Metropolitan Water Agencies. Check #199930 to OMG Midwest Inc. for \$131,055.53 was for paving work completed by Old Castle related to a project completed for DMWW by Polk County. Lastly, it was explained that Check #199907 to the Iowa Department of Transportation in the amount of \$363,000 was repayment of expenses associated with work on Interstate 235 which was completed approximately 10 years ago, some of which involved DMWW's transmission mains. It was noted there will be one additional payment made to the IDOT associated with the 28E Agreement on utility relocations. 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 were received.

Proposed 2015 Budget – Chairperson Gillette opened a Public Hearing for comments from the public regarding the Proposed 2015 Budget. Receiving no oral or written comments, the Public Hearing was closed. Referencing materials provided, specifically information regarding Capital Improvement Projects, Mr. Stowe underscored the significant increase in the proposed amount budgeted for 2015 which involves rehabilitation and enhancements to the Fleur Drive and McMullen water treatment plants. As discussed during the November 11 meeting of the Finance and Audit Committee, staff welcomes Board members' feedback concerning the budget process. A motion was made by Mr. Wallace, seconded by Mr. Carlson, to approve the 2015 Des Moines Water Works budget. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

2015 Water Treatment Chemicals –

1. Authorize Execution of Activated Carbon Contract – The request to approve the 2015 water treatment chemicals has been broken into two pieces because the first item – the powdered activated carbon contract – is less straightforward. It was explained the lowest priced product does not yield the best value for our operations. Therefore, staff's

recommendation for the supplier of powdered activated carbon is not the low unit producer. Mr. Stowe pointed out that acceptance of the low bid is not a requirement under Iowa Law for this. Ms. Gearhart made a motion to approve Thatcher Chemical as the 2015 activated carbon supplier as proposed for the H2OM product. Ms. Huppert provided a second to 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.

2. 2015 Water Treatment Chemicals – Analysis of Bids and Authorize Execution of Contracts – Reference was made to the list of chemical suppliers for chemicals totaling nearly \$4.5 million for 2015. Staff’s recommendation is based on the lowest price per unit. Ms. Huppert moved to approve the 2015 chemicals to the low responsible bidders as submitted. A second to the motion was provided by Mr. Wallace. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

Proposed 2015 Schedule for Board of Water Works Trustees Meeting and Committee Meetings – A motion was made by Ms. Gearhart, seconded by Ms. Huppert, to adopt the proposed 2015 schedules for the Board of Water Works Trustees and Committee meetings as presented. 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 2014 General Office Front Entrance Remodel and Establish the Date of Public Hearing as the Date of the January 2015 Board Meeting –To address employees’ safety concerns and better serve the customers, Engineering and Customer Service staffs have developed specifications for bids for a project to remodel the General Office front entrance and desk. Additional details concerning the project will be provided at the December 2 meeting of the Planning Committee. The estimated cost is \$125,000. A motion was made by Mr. Carlson, seconded by Ms. Gearhart, to authorize staff to solicit bids for 2014 General Office Front Entrance Remodel and to establish the date of Public Hearing as the date of the January 2015 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 Fleur Drive Operations Center Stormwater System Improvements – Phase 1 and Establish the Date of Public Hearing as the Date of the January 2015 Board Meeting – The existing storm sewer system within the Fleur Drive Operations Center is undersized. In 2012 Snyder & Associates provided phased recommendations to resolve the issue with frequent flooding of the facilities in that area. Staff’s recommendation is to proceed with Phase I, which has been estimated at \$300,000 and would consist of replacing existing pipes with larger diameter pipes. A motion was made by Ms. Gearhart, seconded by Ms. Huppert, to authorize staff to solicit bids for Fleur Drive Operations Center Stormwater System Improvements – Phase 1 and establish the date of Public Hearing as the date of the January 2015 Board meeting, and to 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.

Acceptance of 2014 General Office Facility Cooling System Upgrades – Mr. Stowe reported the cooling system upgrades have been completed in the General Office Facility, and the request for

payment is consistent with the initial contract amount. Ms. Huppert moved to accept the 2014 General Office Facility Cooling System Upgrades, completed by Wolin and Associates, Inc., in the amount of \$147,600. Mr. Carlson provided a second to 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.

Acceptance of 2014 Crystal Lake Raw Water Main – This project, which allows water to be pumped from Crystal Lake to the McMullen Water Treatment Plant, has been completed satisfactorily and came in 3.9% under budget. A motion was made by Mr. Wallace, seconded by Mr. Carlson, to accept the 2014 Crystal Lake Raw Water Main, completed by S.M. Hentges & Sons, Inc., in the amount of \$777,586.09. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

Waiver of Conflicts – Ahlers & Cooney, P.C. – Mr. Stowe explained a request to sign a waiver of conflict was received last Friday after the Tentative Agenda and Board packets had been prepared. DMWW is in negotiations with the City of Des Moines on a number of issues including the Fleur Drive medians, Payment in Lieu of Taxes (PILOT), and Gray’s Lake as a potential water source. The City desires to engage Ahlers & Cooney, P.C. as counsel to advise on any environmental issues on these matters. The issue is that the same law firm has done bond work for DMWW, and they also have a client relationship with the City. Mr. Malm recommended approval and advised that executing the consent and waiver would be in the best interest of DMWW. It was determined that staff will draft a process regarding adding late items to the Board agenda. It was mentioned the City Council has such a process. Mr. Carlson moved, seconded by Ms. Gearhart, to approve the following waiver: The Board of Water Works Trustees hereby waives and consents to any actual, potential or perceived conflict of interest associated with Ahlers & Cooney, P.C.’s representation of the City of Des Moines with respect to the above referenced matters. Upon vote, the motion was adopted, with Ms. Gearhart, Mr. Carlson, Mr. Gillette, and Mr. Wallace voting in favor of the motion. Ms. Huppert abstained from voting.

Board Committee Reports –

- Ms. Huppert reviewed the recent meeting of the Finance and Audit Committee.
- Action will be taken at the December Board meeting regarding representation on the Boards of the Greater Des Moines Botanical Garden and Des Moines Water Works Park Foundation.
- An update was provided regarding the Park Foundation. Mr. Carlson recently attended a meeting with potential donors, people whom have been involved with the project for several years. A presentation about the Park Foundation will be made to the Board in January 2015.

CEO and General Manager’s Comments –

- High nitrate concentrations in the source waters continue to be a significant concern, which is unprecedented for this time of the year. Today’s nitrate levels are 13 on the Raccoon River and 11 on the Des Moines River.
- Staff has been taking water samples from the northern Raccoon River watershed. A summary of the results will be furnished in December.
- Regionalization Study updates were provided last week by Black and Veatch reps during the general membership and Executive Committee meetings of the Central Iowa Regional Drinking Water Commission. A report is anticipated to be submitted by February 2015.

- Last evening was the grand opening of Make-A-Wish Foundation’s Jolly Holiday Lights. This is the 19th year it has been held in Water Works Park. Two new signs acknowledging DMWW and AFSCME have been placed near the park’s main entrance.
- Representatives from the Greater Des Moines Partnership will attend the December 2 meeting of the Planning Committee to discuss our relationship.
- The December 9 Finance and Audit Committee meeting has been cancelled. Long-term capital improvement projects will be a topic for a future meeting.

Meeting adjourned at 4:55 p.m.

Post Board Meeting Presentation – “Lost Planet” –Ted Corrigan summarized the history of the “Lost Planet”. Approximately 65 years ago, on December 8, 1949, lime softening was added as part of the water treatment process. At that time the decision was made to store the lime sludge material removed from the water on site. A 52-acre lagoon was constructed for sludge storage. Twelve years later, a second lagoon which covered 33 acres was constructed. In 1966, the levee around the first lagoon had to be raised to accommodate the amount of sludge within. The lagoons were full by the late 1980s and it was determined to not continue storing lime residuals on site. Since then the dried sludge has been hauled from DMWW’s property by a contractor. Mr. Stowe mentioned concerns relative to the stability of the “Lost Planet” area, and advised we will be engaged in a study to determine how we can be better stewards of the area so we don’t compromise water in the Raccoon River.

Presentation ended at 5:10 p.m.

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

Tuesday, December 2, 2014
3:30 p.m.

Present:

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

Staff Members: Pat Bernard, Ted Corrigan, Peggy Freese, Doug Garnett, Amy Kahler,
Dan Klopfer, Laura Sarcone, Don Staley, Bill Stowe

Others: Jay Byers and David Maahs, Greater Des Moines Partnership

1. Greater Des Moines Partnership Discussion – Mr. Byers highlighted the Greater Des Moines Partnership's (GDMP) role in the community and recognized DMWW's investment as well as involvement on their Board. Mr. Maahs summarized regional economic development projects. Mr. Stowe shared DMWW's history with the GDMP. Since 1999, DMWW has contributed \$50,000 annually, and the 2015 budget, which was recently approved by the Board, includes a \$50,000 contribution. Mr. Stowe asked if DMWW's contribution of \$50,000 is high for a public partner, and inquired about other public entities' contribution categories. Mr. Byers advised their website includes information regarding partnership investors' contributions and stated the Cities of Ankeny, Urbandale and West Des Moines are in the \$25,000 investment category. Discussion followed where Board members expressed their concerns and expectations related to the GDMP. It was emphasized that DMWW has issues that will require attention from the GDMP, including record nitrate levels in the Raccoon and Des Moines Rivers and how we can better partner with the suburbs regarding water needs. Ultimately the Board of Trustees needs to determine DMWW's long-term partnership with the GDMP and whether the \$50,000 is appropriate. It was agreed this will be further discussed by the Board mid-year in 2015, and Mr. Stowe will make a recommendation concerning DMWW's contribution at that time.

Ms. Gearhart and Mr. Gillette left the meeting at 4:25 p.m.

2. General Office Front Entrance Remodel – Staff's request for authorization to solicit bids for the general office front entrance remodeling project was approved at the November 25 Board meeting. Plans and specifications are scheduled to be issued by the end of this week. A detailed presentation was provided by Mr. Staley regarding the construction plans for the front reception area. The new configuration will address safety concerns and will be more inviting to walk-in customers.

3. CEO and General Manager's Comments – Mr. Stowe reported guidelines have been drafted for considering extra item(s) to the Board agenda. The guidelines are similar to the City's process.

4. Public Comments – None

Meeting adjourned at 5:00 p.m.