

**CALLED MEETING OF THE BOARD OF WATER WORKS TRUSTEES  
HELD AT THE OFFICE OF THE DES MOINES WATER WORKS  
PURSUANT TO NOTICE, TUESDAY,  
October 24, 2017**

Present: Chairperson Susan R. Huppert, presiding; Mr. David A. Carlson, Mr. Graham R. Gillette, and Mr. Marc R. Wallace.

Staff members attending were: Pat Bruner, Ted Corrigan, Peggy Freese, Doug Garnett, Amy Kahler, Dan Klopfer, Mike McCurnin, Laura Sarcone, Bill Stowe, Michelle Watson

Also in attendance Rick Malm, legal counsel; Craig Robinson, Concordia Group; Jason Mumm, FCS Group. Scott (AJG), Jennifer Shanda (AJG), Scott Crawford (RDG), Sam Carrell (DMWWPF)

Ms. Huppert called the meeting to order at 3:36 p.m.

Consent Agenda – A motion was made by Mr. Gillette, seconded by Mr. Carlson to approve Consent Items A, B, C, D, and E (approval of Minutes, September 26, 2017, Board of Water Works Trustees Meeting; Minutes, October 3, 2017, Planning Committee Meeting; Minutes, October 10, 2017, Finance and Audit Committee Meeting; Filing of the financial statements for audit purposes; Payments for September 2017; Summary of CEO-Approved Expenditures in Excess of \$20,000; and approval of November 28, 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.

Public Comment Period – No public comments.

Flexible Benefits Plan Restatement –

A motion was made by Mr. Gillette, and seconded by Mr. Wallace to approve and authorize Chairperson to execute restatement of the DMWW Flexible Benefits Plan. Revisions were made to be in line with tax law. There had not been a review or a revision since 2013. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

2018 Employee Benefit Insurance Renewals –

The 2018 renewals for employee medical insurance, retiree medical insurance, employee dental insurance, life insurance and long term disability insurance were presented. For many of the renewals, a cooperative partnership with the City of Des Moines results in a mutually beneficial rate. There is no increase in the premiums for employee medical insurance, but the contribution by DMWW will increase, as negotiated by contract, so the net employee cost will go down. Retiree medical insurance and employee life insurance and disability insurance will have increases.

A motion was made by Mr. Gillette, and seconded by Mr. Wallace to approve recommended employee benefit insurance providers and rates for the year 2018.

2018 Corporate Insurance –

A motion was made by Mr. Gillette, and seconded by Mr. Wallace to accept the insurance program renewal as submitted by Arthur J. Gallagher Risk Management Services, Inc. Ms. Huppert noted the proposed insurance program renewal for 2018 was previously presented to the Finance and Audit Committee at its last meeting. Des Moines Water Works’ corporate insurance renewal rates for 2018 will increase \$44,070 over 2017 rates, for a total cost of \$928,063. 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. Gillette mentioned that our Cyber coverage was analyzed by Arthur J. Gallagher and it is comfortable that we have the coverage that we need. Ms. Huppert voiced her agreement.

Approval of Proposed 2018 Water Rates – A schedule of proposed water rates to be effective April 1, 2018, as set forth in detail in a document provided to each Board member, was considered.

Mr. Stowe stated staff’s recommendation to increase water rates seven percent for most service areas and rate classes, effective April 1, 2018. A five percent increase for the Wholesale With Storage rate has been recommended. No rate increases for the PCRWD#1 and Berwick service areas were recommended.

A motion was made by Mr. Gillette, seconded by Mr. Carlson, to approve the rates as proposed to be effective for all water bills issued on or after April 1, 2018, and to direct staff to publish the adopted rates 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 with the following rates being thereby adopted:

	2017 Rate/1,000 Gallons	Increase	Percent Increase
Des Moines Inside City			
Residential (Step 1)	\$4.11	\$0.29	7%
Commercial (Step 2)	2.76	0.19	7%
Industrial (Step 3)	2.12	0.15	7%

	2017 Rate/1,000 Gallons	Increase	Percent Increase
Wholesale			
Purchased Capacity	\$1.85	\$0.13	7%
With Storage	3.84	0.19	5%
Off Peak	2.08	0.15	7%
Des Moines Outside City			
Residential (Step 1)	\$4.47	\$0.31	7%
Commercial (Step 2)	3.36	0.24	7%
Industrial (Step 3)	2.40	0.17	7%
Polk County			
Residential (Step 1)	\$8.10	\$0.57	7%
Commercial (Step 2)	4.96	0.35	7%
Industrial (Step 3)	3.87	0.27	7%
Capital Improvement Fee	1.50	-	-
Pleasant Hill			
Residential (Step 1)	\$7.54	\$0.53	7%
Commercial (Step 2)	6.36	0.45	7%
Outside City	11.31	0.80	7%

	2017 Rate/1,000 Gallons	Increase	Percent Increase
Windsor Heights	\$4.19	\$0.29	7%
Capital Improvement Fee	2.00	-	-
PCRWD #1	\$4.00	-	-
Berwick	\$4.00	-	-
Runnells			
Water	\$7.15	\$0.50	7%
Waste Water	7.76	0.54	7%
Alleman	\$8.34	\$0.58	7%
Cumming	\$7.03	\$0.49	7%
Warren County			
Step 1	\$15.17	\$1.06	7%
Step 2	11.14	0.78	7%

Ms. Huppert noted that a number of people at the regionalization workshops shared that they are comfortable with DMWW's accounting and financial practices i.e. cost of service study and the quality of DMWW's senior management team.

Proposed 2018 Budget – Establish a Public Hearing as the Date of the November 28, 2017, Board Meeting –

A motion was made by Mr. Wallace, to establish the date of a Public Hearing as the date of the November 2017 Board meeting to consider the 2018 budget and to direct staff to publish notice as set forth in Des Moines Water Works Board Policy Manual. Mr. Gillette provided a second to the motion.

Mr. Stowe stated the 2018 budget includes an operating and maintenance budget of \$43.4 million and capital budget of \$33.2 million.

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 for CEO and General Manager to Execute Professional Services Agreement with Black & Veatch Corporation for Crystal Lake Intakes and Pumping Station Design –

A motion was made by Mr. Carlson, and seconded by Mr. Wallace to authorize the CEO and General Manager to execute a Professional Services Agreement with Black & Veatch Corporation, in the amount of \$668,680, for design of the Crystal Lake Intakes and Pumping Station project. 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 for CEO and General Manager to Execute Professional Services Agreement with RDG Planning & Design for Phase 1 of DMWW Park Foundation Improvements Upon Receipt of Funding for Contract from the DMWW Park Foundation –

A motion was made by Mr. Wallace, and seconded by Mr. Carlson to authorize the CEO and General Manager to execute a Professional Services Agreement with RDG Planning & Design for Phase 1 of DMWW Park Foundation Improvements upon receipt of funding for the contract from the DMWW Park Foundation. 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. Klopfer drew attention to the construction schedule provided. Multiple construction agreements, operating and maintenance agreements, and 28E agreements will be executed in the upcoming months to implement contemplated Park projects. Mr. Wallace emphasized that the Park Foundation was created to have clear delineation of where donated funds come from for these improvements.

Request Authorization to Execute 28E Agreement between Polk County, Iowa and Des Moines Water Works for Project Changes to the Reconstruction of NW 26th Street in Conjunction with Phase 3 of the NW 66th Avenue/Kempton Bridge Reconstruction Project –

A motion was made by Mr. Gillette, and seconded by Mr. Wallace to authorize the Chairperson to execute a proposed 28E Agreement between Polk County, Iowa, and Des Moines Water Works for Project Changes to the Reconstruction of NW 26<sup>th</sup> Street in conjunction with Phase 2 of the NW 66<sup>th</sup> Avenue/Kempton Bridge Reconstruction Project. The project provides for raising the elevation of the entrance at the Saylorville WTP as a flood mitigation and protection measure. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

Polk County Request for Saylorville Water Treatment Plant Temporary Easement and Land Transfer –A motion was made by Mr. Gillette, and seconded by Mr. Carlson to authorize the Chairperson to execute the document that grants a temporary easement to Polk County, Iowa, at Saylorville Water Treatment Plant as contemplated by the previously approved 28E Agreement with Polk County. Upon vote, the motion was adopted, with each member of the Board, who is identified above as present, voting in favor of the motion.

A Public Hearing was opened by Chairperson Huppert for comments from the public regarding the Transfer of Land to Polk County at the Saylorville Water Treatment Plant for expanded right of way, as contemplated by the previously approved 28E Agreement with Polk County. No oral or written public comments were received. The Public Hearing was closed.

A motion was made by Mr. Wallace, and seconded by Mr. Carlson to adopt the following resolutions:

WHEREAS, real estate, described as set forth in Exhibit A attached hereto (the “Property”), is held in the name of the City of Des Moines, Polk County, Iowa, for the use and benefit of the Board of Water Works Trustees of the City of Des Moines, Iowa;

WHEREAS, the Property is part of a parcel used as the site of DMWW’s Saylorville Water Treatment Plant (“SWTP”);

WHEREAS, DMWW desires that improvements be made to the public highway that serves as access to the SWTP in order to raise the elevation thereof to enhance access in times of flood, and further desires that such work be done as a part of the Polk County NW 66<sup>th</sup> Avenue Widening Project –Phase 3 (the “Project”) to be constructed by Polk County, Iowa;

WHEREAS, in order to raise the elevation and widen the subject highway, Polk County requires an expanded right of way to include the Property;

WHEREAS, DMWW and Polk County have entered into a 28E Agreement with respect to the Project to evidence agreements undertaken for their mutual benefit and convenience; and

WHEREAS, DMWW considers the completion of the Project as provided by the 28E Agreement, and the dedication and transfer of the Property to Polk County for use as highway right of way in exchange for the consideration of the mutual agreements set forth in the 28E Agreement to be in the best interest of DMWW.

BE IT RESOLVED, that the transfer and conveyance of the Property to Polk County, Iowa, for and in consideration of One Dollar (\$1.00) and other valuable consideration as set forth above is approved, confirmed, and ratified and the Chairperson is authorized and directed to execute a Quit Claim Deed transferring the Property to Polk County, Iowa, and the CEO and General Manager is authorized and directed to attest to the Chairperson’s signature and to deliver the said Deed to such purchaser.

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 October 3, 2017, and discussed Saylorville Water Treatment Plant flood protection improvements with Polk County.
- Mr. Gillette reported the Finance and Audit Committee met on October 10, 2017, and discussed preliminary 2018 water rates.
- No report from staff on Greater Des Moines Botanical Garden.
- Mr. Wallace provided an update on the Des Moines Water Works Park Foundation.
- Regionalization workshops have taken place over the last two weeks. Mr. Gillette shared that DMWW is operating fairly and reasonably and looking to the future of governing

together, in considering funding and development to meet the region's needs. Ms. Huppert welcomed anyone to attend the workshops as they are public meetings. Mr. Gillette expressed how it is important to take the regionalization process one step at a time. Mr. Wallace expressed how important regionalization is for the community and its economy. Ms. Huppert asked Craig Robinson to provide a 60-day communication plan as it is important to be transparent with the public. Mr. Stowe re-capped avenues for the public to be informed. A regionalization report from Jason Mumm (workshops) is expected around December 18<sup>th</sup>. Ms. Huppert shared that the committee has done a significant amount of work toward regionalization.

CEO and General Manager's Comments –

Mr. Stowe mentioned cyanobacteria levels in the Des Moines River are alarming and we are operating off the Raccoon River to avoid that concern. Water Production staff is testing on an 8-hour cycle. A significant amount of laboratory and water production time is being invested in watching these levels.

Other Comments –

Mr. Corrigan shared presentations on a project at E 15<sup>th</sup> St. & Grand Ave. and on an investigation of a main near 88<sup>th</sup> and Ashworth. DMWW replaced a 36" valve on the 48" main in E 15<sup>th</sup> St., just north of University Avenue. Two crews worked around the clock on this valve replacement over 36 hours. Mr. Stowe emphasized the importance of safety on these non-routine activities and Mr. Corrigan shared the work was done perfectly. It took the entire pipelines group of the water distribution department to accomplish the work.

Mr. Corrigan also described a feeder main investigation on 5-mile stretch of main near 88<sup>th</sup> and Ashworth where we have exposed and removed pipe to assess the corrosion.

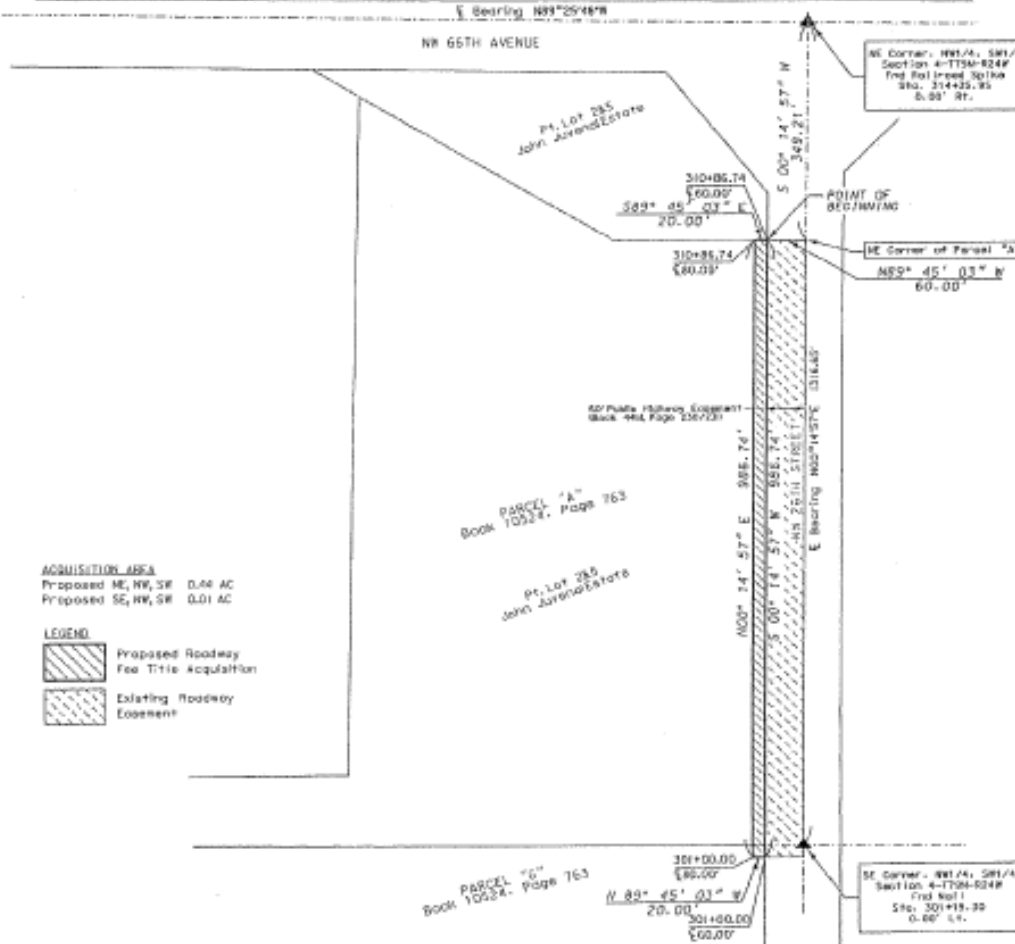
Ms. Huppert called the Board's attention the Contract Status Spreadsheet and September 2017 Lien Certification and Reversals in the Board's packet.

Adjournment –Meeting adjourned at 4:59 p.m. by unanimous consent.

Meeting ended at 4:59 p.m.

IOWA DEPARTMENT OF TRANSPORTATION  
 ACQUISITION PLAT  
 EXHIBIT "A"

COUNTY POLK STATE CONTROL NO. \_\_\_\_\_  
 PROJECT NO. STP-S-CO77(217)-5E-77 PARCEL NO. 22  
 SECTION 4 TOWNSHIP 79 NORTH RANGE 24 WEST  
 ROW-FEE 0.45\* AC. EASE \_\_\_\_\_ AC EXCESS-FEE \_\_\_\_\_  
 ACCESS RIGHTS ACQUIRED - STA \_\_\_\_\_ STA \_\_\_\_\_ MAIN LINE \_\_\_\_\_  
 ACCESS RIGHTS ACQUIRED - STA \_\_\_\_\_ STA \_\_\_\_\_ SIDE ROAD \_\_\_\_\_  
 ACQUIRED FROM CITY OF DES MOINES BOARD OF WATER WORKS TRUSTEES  
 \*DDGS NOT INCLUDE 1.35 ACRES WITHIN THE PRESENTLY ESTABLISHED RIGHT OF WAY



ACQUISITION AREA  
 Proposed NE, NW, SW 0.45 AC  
 Proposed SE, NW, SW 0.01 AC

LEGEND  
 Proposed Roadway Fee Title Acquisition  
 Existing Roadway Easement

I hereby certify that this land surveying document was prepared by me or under my direct personal supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Iowa.

*Eric J. Miller* 5-24-17  
 ERIC J. MILLER DATE:  
 License number 19515  
 My License Renewal Date is December 31, 2018  
 Pages covered by this seal:  
 EXHIBIT "A" ONLY



DATE REVISED \_\_\_\_\_  
 DATE DRAWN MAY 22, 2017 SCALE 1" = 200'



DESCRIPTION OF ATTACHED PLAT FOR PARCEL NO. 22

POLK COUNTY

PROJECT NO. STP-S-C077(217)-5E-77

THE FEE SIMPLE TITLE GRANTED FOR HIGHWAY PURPOSES IS TO LAND DESCRIBED AS FOLLOWS:

A PARCEL OF LAND LOCATED IN A PART OF PARCEL "A" AND PARCEL "G" OF LOTS 2 AND 5 OF JOHN JUVENAL ESTATE, AN OFFICIAL PLAT, AS SHOWN IN PLAT OF SURVEY RECORDED IN BOOK 10524, PAGE 763, IN THE OFFICE OF THE RECORDER OF POLK COUNTY, IOWA AS SHOWN ON THE ACQUISITION PLAT EXHIBIT "A", ATTACHED HERETO AND BY REFERENCE MADE A PART HEREOF AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 4, TOWNSHIP 79 NORTH, RANGE 24 WEST OF THE 5TH P.M.; THENCE SOUTH 00° 14' 57" WEST ALONG THE EAST LINE OF SAID NORTHWEST 1/4 OF THE SOUTHWEST 1/4, A DISTANCE OF 349.21 FEET TO THE NORTHEAST CORNER OF SAID PARCEL "A"; THENCE NORTH 89° 45' 03" WEST ALONG THE NORTH LINE OF SAID PARCEL "A", A DISTANCE OF 60.00 FEET TO THE WEST RIGHT-OF-WAY LINE OF NW 66TH AVENUE AND TO THE POINT OF BEGINNING; THENCE SOUTH 00° 14' 57" WEST ALONG SAID WEST RIGHT-OF-WAY LINE, 986.74 FEET; THENCE NORTH 89° 45' 03" WEST, 20.00 FEET; THENCE NORTH 00° 14' 57" EAST, 986.74 FEET TO SAID NORTH LINE; THENCE SOUTH 89° 45' 03" EAST ALONG SAID NORTH LINE, 20.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.45 ACRES.

NOTE: THE EAST LINE OF SAID NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 4 IS ASSUMED TO BEAR SOUTH 00° 14' 57" WEST.

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

Monday, November 6, 2017

3:30 pm

Present:

Board Members: Graham Gillette

Staff Members: Peggy Freese, Amy Kahler, Laura Sarcone, Bill Stowe, and Michelle Watson

Also in attendance: Craig Robinson, Concordia Public Affairs

1. Workshop Review Discussions – Mr. Stowe shared that the primary point of discussion is the fundamental principle of ownership. The consultant is going to come back with a framework to evaluate assets. DMWW assets would be valued and there could be ownership change through purchase or exchange. West Des Moines, Altoona, and Polk City, Urbandale assets would be brought into consideration. Seats on a regional board didn't seem to be enough, and paying for control was more important than having questionable control through a governance process. Three water boards will still continue to exist (DMWW, West Des Moines, and Urbandale).

Mr. Robinson shared that Sue Huppert had brought up the discussion of wholesale rates. This would be easier to tackle if Saylorville and McMullen water treatment plants would be controlled as regional facilities, and Fleur maintained as DMWW's. A regional board's financing for the purchase of the assets would be a long process. Mr. Gillette questioned why West Des Moines and Urbandale would want to be burdened with the financial issues rather than to proceed with the long-range plan for capital improvements.

Ms. Kahler agreed that wholesale rates began the discussion. It didn't make sense for a regional board make decisions on assets that belong to other entities.

Mr. Gillette shared how we benefit from being a public entity today.

Mr. Stowe observed that the future water systems map makes it is clear that the capital expenditures needs for expansion lie within the suburbs. Des Moines is not expanding. Purchased capacity, and a stake in the existing plants are both issues.

Mr. Gillette expressed that new plant(s) built would be owned by regional group.

Mr. Stowe explained that future plans include expansion of current facilities, which blurs this line.

A belief was generally expressed that rate setting is intertwined with capital improvement.

Mr. Gillette stated that increased capacity of any kind could be approved by the regional board. There could be a breakdown in the process when entities get focused on the money and rates, even though future planning and water quality are the most important issues. With a change of ownership, privatizers could be quick to sell the regional board on the idea of privatization.

Mr. Gillette asked if the mayors understand that the 4<sup>th</sup> principle (ownership of assets) has been removed. Mr. Stowe believes they do. West Des Moines may feel differently about it if their assets are considered as well.

Mr. Stowe believes the consultant will share, by the end of the week, two or three topics for the next workshops.

The question was asked: Is ownership of assets now off the table? Mr. Stowe believes it will come back into discussion especially since West Des Moines will now have assets impacted. The last Black & Veatch study was in 2014 and showed that transfer of assets was not feasible. Discussion of another Black & Veatch study is probable and the mayors may have different input at this point.

Mr. Gillette and Mr. Stowe discussed the current system's bias to the City of Des Moines, i.e. PILOT, Fleur Drive beautification/maintenance, etc. They wondered if those biases are removed, if that would that be a resolution.

Mr. Stowe shared that he believes insider and outsider inputs are both very beneficial in the process.

2. CEO's Comments – No comments from Mr. Stowe.
3. Public Comments – No comments from the public.

Meeting adjourned at 4:25 p.m.

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

Tuesday, November 7, 2017

3:30 p.m.

Present:

Board Members: Dave Carlson, Marc Wallace

Staff Members: Peggy Freese, Amy Kahler, Dan Klopfer, Brady McDonald, Laura Sarcone, Bill Stowe, and Michelle Watson

Also Present: Craig Robinson, Concordia Group

1. Rules and Regulations Update – Mr. Stowe overviewed proposed Rules and Regulations changes, mentioning a change to the System Development Fee (SDF) charges to the City of Des Moines. SDFs would no longer be waived for the City of Des Moines. Mr. Klopfer explained SDFs as a contribution toward the cost of the system that is already in use. SDFs are determined by looking at the value of the core network infrastructure in Des Moines and dividing it based on the water service tap size that is being installed. SDFs have been in place for over 20 years. Mr. Corrigan was involved in the first development of the SDFs. Mr. Stowe further explained that the SDF is a capital investment.

Mr. McDonald shared that language was changed to clarify interruption of water service. Language was changed to clarify ownership of water service lines and stopboxes and responsibility for repairs.

Mr. Carlson questioned the appeal process and the time allowed to appeal to the board.

Administrative fees for contracted stopbox repairs were increased from \$30 to \$90.

A line item was added to include the saddle for a 16x2 tap on PVC main.

A new \$40 trip charge fee was added when DMWW is requested to verify a stopbox is in working order.

Mrs. Kahler explained submetering contract fees. Submetering is used on a building or apartment building where building has master meter, but each individual unit is also metered. The initial contract cost was \$2,000. Historically, the typical number of units was 12, but more recently we are seeing a number of units of around 100. The fee will be now be relative to the number of units.

The Fee Schedule was updated based on Engineering News Record increases, using figures from August, on an annual basis.

Further discussion about ownership of stopbox, average costs, etc. was conducted.

Mr. Wallace and Mr. Stowe discussed backflow prevention and requirements. The City of Des Moines plumbing code incorporates DMWW's requirements.

2. CEO and General Manager's Comments – Mr. Stowe shared that Mayor Cownie is going to appoint a new board member. That appointment was supposed to take place on November 6,

but has been delayed two weeks. He also shared that through the regionalization discussions, there had been talk of valuing assets again and leaving the Fleur plant as DMWW's but allowing SWTP and McMullen to be shared or sold. Mr. Stow expressed that this must in his view be an all or nothing proposition, with all three plants to stay integrated. Through the regionalization process, it doesn't appear money is the issue for the suburbs, but rather the issue is more about control. His focus is on a fair deal for rate payers, exclusivity, anti-privatization, and that the DMWW Board of Trustees will still exist. Mr. Wallace stated that if any money is exchanged it must go back into the water systems.

Mr. Wallace shared that a truly regional system brings everything together. Unsure if everyone really wants to have a truly regional system.

The Customer Relations committee meeting met yesterday.

3. Public Comments – No comments from the public.

Meeting adjourned at 4:45 p.m.