

(Prepared by/Return to: Amy Kahler, Des Moines Water Works, 2201 George Flagg Parkway, Des Moines, IA 50321,  
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**Meeting**  
**CENTRAL IOWA REGIONAL DRINKING WATER COMMISSION**  
**Technical Advisory Committee**  
**Des Moines Water Works Board Room**  
**October 20, 2016**  
**10:00 a.m.**

Attendees: Shane Kinsey, Diana Wilson, John Gibson, Karen Oppelt, Dan Klopfer, Ted Corrigan, Tim Hoskins, Ken Plager, Dale Acheson, Jim Utter, Vern Willey, Steve Steenhoek, Jeff May, Peggy Freese.

Public: Don Peterson, Iowa Farm Bureau Federation

**A Look Back: DMWW Summary of Capital Expenditures 2006 – 2015**

Amy Kahler reviewed a summary of the approximate amount of revenue collected from wholesale customers from 2006 – 2015 representing the capital component of the wholesale water rates, and compared that to shared capital expenditures during the same time period. This analysis is included as an Attachment.

There was discussion by the group on allocations of certain categories of capital expenditures being attributed to wholesale customers (i.e., park improvements), and the appropriateness of the capital component being used for replacement capital vs. new capital infrastructure.

**DMWW Long Range Plan Update**

HDR continues to work on DMWW's long range plan. They are currently estimating costs for source and water treatment facilities. The final draft is expected in January.

**Urbandale Water Treatment Plant Update**

Dale Acheson reported discussions are continuing between Urbandale Water Utility and DMWW related to Urbandale's plan to proceed with the design of a new 8.0 mgd water treatment plant.

**Waukee/WDMWW Source Water Availability Study Update**

Diana Wilson reported Waukee and WDMWW have approved a joint study to evaluate alluvial source water availability in their respective service territories. V&K has been hired as consultant to perform the evaluation. The engineer will be performing electrical resistivity testing on six tracts of land, and is currently obtaining permissions from landowners.

## **Des Moines Water Works Board Activities for October**

Ted Corrigan and Dan Klopfer reviewed the Des Moines Water Works Board of Trustees agenda for the upcoming October meeting:

- CEO Performance Evaluation
- 2017 Corporate Insurance – corporate insurance is increasing 5-6%
- Approval of 2017 Water Rates – water rates are recommended to increase 10% for Wholesale - Purchased Capacity, 5% for Wholesale - With Storage. Alleman water rates will increase 15%, and all other rates will increase 10%.
- Proposed 2017 Budget – establish the date of public hearing for the 2017 budget as the November 22, 2016 board meeting.
- License Agreement for Farming Agricultural Land at Maffitt Reservoir – renew agreement for 100 acres of cropland
- License Agreement for Harvesting Grass Hay at Maffitt Reservoir – renew agreement for 40 acres of hay
- HomeServe Service Line Maintenance Agreement – 3 year extension on the HomeServe Agreement. New agreement will cover frozen service lines. Monthly premiums will increase \$0.50 every other year, resulting in a premium in 2020 of \$5.99/month.
- Request Permission to Issue Purchase Order for Additional Saylorville Treatment Plant UF Modules – DMWW is taking advantage of lower guaranteed prices of UF membranes before the option to purchase expires, and is expected to reduce the burden and extend the life of the existing membranes.
- Request Authorization to Issue Purchase Order for Army Post Road Aquifer Storage and Recovery Well – Flow Control Valve – purchase a control valve for the Army Post ASR
- Acceptance of Saylorville Water Treatment Plant West Feeder Main – Phase 2 – project completed

## **Open Discussion**

John Gibson mentioned Waukee is seeing an increase in unauthorized use of valves by contractors. There was general discussion on how to prevent unauthorized use and whether any entity uses valve locking devices.

## **Next Meeting Date**

The next meeting will be November 17, 2016 at Des Moines Water Works.

Meeting adjourned at 11:00.

**ATTACHMENT**

**DES MOINES WATER WORKS  
SUMMARY OF CAPITAL IMPROVEMENT REVENUE COLLECTED AND CAPITAL EXPENDITURES  
2006 - 2015**

Historical Water Sales Revenue vs. Capital Expenditures			
Wholesale			
2006 thru 2015			
		<u>2006 - 2015</u>	
Total Wholesale Revenue		\$98,964,824	
% of total costs that are replacement cost depreciation		27.11%	1
Revenue to be used for Capital		<u>\$26,832,422</u>	
Less Revenue Shortfall		<u>(\$3,069,517)</u>	2
<b>Net Revenue for Capital</b>		<b><u>\$23,762,904</u></b>	
<b>Capital Expenditures</b>			
	<b>Actual Expenditures</b>		
<b>Shared Projects</b>	<b><u>2006 - 2015</u></b>		
ASR Well	\$1,979,419		
DBP Reduction	376,772		
Distribution Equipment	434,918		
EAM	4,395,737		
Facility Management	2,219,536		
Feeder Mains & Distribution System	8,945,705		
Fleur Raw Water	691,668		
Fleur Treatment	10,851,711		
LP Moon Improvements	51,269		
Maffitt Raw Water	3,646,846		
Maffitt Treatment	1,285,733		
Misc	158,064		
Park Road Improvements	1,083,509		
Security & Safety Compliance	655,569		
Shared IT Capital	4,325,650		
SWTP Pumping Stn	712,571		
SWTP Raw Water	826,485		
SWTP Treatment	960,885		
Tower Improvements	658,474		
Vehicle Replacements	2,996,463		
<b>Total Shared Projects</b>	<b><u>\$47,256,985</u></b>		
<b>Wholesale Portion of Shares Capital Expenditures</b>	49.03%	<b>\$23,170,862</b>	3
Variance		<u><u>(\$592,042)</u></u>	
		-2.49%	
1) Average % of total costs that are related to Replacement Cost Depreciation from 2006 thru 2015.			
2) This \$3M is an accumulation of the shortfalls over the last 10 years, in years where revenue does not cover 100% of costs.			
3) Wholesale is a component of Des Moines within the COS. DM is allocated 92.68% of most costs. This number is then divided between DM Inside City (46.4853%) and Wholesale (52.9042%) based upon consumption.			